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# ***Daily Report***

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## **China**

**FBIS-CHI-89-075**

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# Daily Report

## China

FBIS-CHI-89-075

### CONTENTS

20 April 1989

#### INTERNATIONAL AFFAIRS

##### General

Foreign Ministry Holds Weekly News Briefing .....	1
Says No Foreigners To Attend Funeral [XINHUA] .....	1
Comments on New Taiwan Concept [XINHUA] .....	1
Comments on Bahrain Ties [XINHUA] .....	1
Opposes Dalai Lama Political Activities [XINHUA] .....	1
Discusses Hong Kong, Other Issues [ZHONGGUO XINWEN SHE] .....	2
Urges Broad-Based Afghan Coalition [XINHUA] .....	2
Notes Sri Lankan Leader To Visit [XINHUA] .....	2
Foreign Trade Development Strategy Described [XINHUA] .....	2
Scholar on Asian-Pacific Developing Economies [XINHUA] .....	3
Sino-Arab Food Production Cooperation Discussed [XINHUA] .....	4
Beijing Hosts Workers' Education Symposium [XINHUA] .....	4
Wang Bingqian Meets Foreign Scholars [XINHUA] .....	5
Asian Development Bank Meeting Previewed [XINHUA] .....	5

##### United States & Canada

U.S. Air Force Staff Chief Meets Chi Haotian [XINHUA] .....	5
Talks With Qin Jiwei [XINHUA] .....	5
Lack of Comprehensive U.S. Foreign Policy Viewed [RENMIN RIBAO 18 Apr] .....	5
Sino-U.S. Information Company To Be Formed [XINHUA] .....	6
Yao Yilin Meets With Canadian Banker [XINHUA] .....	6

##### Northeast Asia

DPRK Official Welcomes Zhao Ziyang Visit [XINHUA] .....	6
RENMIN RIBAO Describes Events in ROK .....	7
On Arrest of Dissident [18 Apr] .....	7
Views Political Situation [13 Apr] .....	8
Leaders Pay Respects to Deceased Japanese Expert [XINHUA] .....	9

##### Near East & South Asia

New Sino-Bahraini Diplomatic Ties Discussed .....	9
Will Promote Trade [CHINA DAILY 20 Apr] .....	9
Editorial Applauds [RENMIN RIBAO 19 Apr] .....	9
Pakistan's Bhutto Receives Science Delegation [XINHUA] .....	10
Afghans Urged To Implement Geneva Accords [XINHUA] .....	10
Government Reiterates Stance on Middle East [XINHUA] .....	11
Saudi Arabia To Open Beijing Trade Office [XINHUA] .....	11
Iranian Media Officials Visit Beijing [Beijing International] .....	11

#### NATIONAL AFFAIRS

##### Political & Social

Hu Funeral Plans, Memorial Service Detailed .....	13
Deng May Not Speak [Hong Kong MING PAO 20 Apr] .....	13
Convoy To Escort Hu's Remains [ZHONGGUO TONGXUN SHE] .....	13
CPC Announcement on Memorial Service [XINHUA] .....	13



Demonstrations Continue in Wake of Hu Death .....	14
Media Reporting Suppressed [Hong Kong MING PAO 19 Apr] .....	14
100,000 Pack Tiananmen Square [AFP] .....	14
Further on Gathering [ZHONGGUO TONGXUN SHE] .....	15
Students Mourn Death [ZHONGGUO TONGXUN SHE] .....	15
Students Continue To Mourn [ZHONGGUO XINWEN SHE] .....	16
Disturbance Disrupts Mourning [Beijing Radio] .....	16
Crowd Converges on Zhongnanhai [AFP] .....	17
Further on Student Rally [Hong Kong TV] .....	17
Students March With Portrait [Hong Kong SOUTH CHINA MORNING POST 20 Apr] .....	17
Students Seek Li Peng Meeting [Hong Kong SOUTH CHINA MORNING POST 20 Apr] .....	17
Police Break Up Demonstration [Hong Kong Radio] .....	19
Directive to Mourners Published [AFP] .....	20
10,000 Demonstrate Again 20 Apr [Tokyo KYODO] .....	21
Thousands Gather in Square [AFP] .....	21
Shanghai Students Demonstrate [Hong Kong WEN WEI PO 20 Apr] .....	22
Beijing Reports on Student Unrest 20 Apr [Beijing Radio] .....	22
Hong Kong Reporter Beaten [Hong Kong MING PAO 20 Apr] .....	23
Magazine Editor Presents Wreath [ZHONGGUO TONGXUN SHE] .....	23
Correspondent on Demonstrations [Hong Kong SOUTH CHINA MORNING POST 20 Apr] .....	23
2d Attempt To Storm Zhongnanhai [XINHUA] .....	24
Students Advised To Observe Law [XINHUA] .....	25
National, International Reaction to Hu's Demise .....	25
Chongqing City Laments Demise [Chengdu Radio] .....	25
Shaanxi Capital Mourns Death [Xian Radio] .....	25
Hoang Van Hoan Mourns Hu [Beijing International] .....	26
Others Also Mourn Hu [XINHUA] .....	26
Family Declines Condolence Visits [Hong Kong WEN WEI PO 20 Apr] .....	26
Foreign Leaders Send Messages [XINHUA] .....	27
Burma's Saw Maung Condoles Death [Beijing International] .....	27
Anecdotes About Hu Yaobang Published [XINHUA] .....	27
Commentator Article on Social Stability Cited [Beijing Radio] .....	28
Article Fears Backtracking on Reform [SHIJIE JINGJI DAobao 10 Apr] .....	29
Fang Lizhi Discusses Obstacles to Democracy [Hong Kong CHENG MING 1 Apr] .....	31
People Take Examinations for Government Posts [XINHUA] .....	32
Non-Communist Official Hu Juewen Dies 16 Apr [XINHUA] .....	33
Leaders Visit Hospital [XINHUA] .....	33
State Council Appoints State Functionaries [RENMIN RIBAO 12 Apr] .....	33
Trade Unions Adopt Model Workers Resolution [Beijing Radio] .....	33
Resolution Commends Model Workers [XINHUA] .....	34
CPC Document on Literature, Art Viewed .....	
[Hong Kong LIAOWANG OVERSEAS EDITION 10 Apr] .....	34
Western Criticism of Abortion Policy Discussed [CHINA DAILY 20 Apr] .....	38
Experts Suggest Measures To Control Population [XINHUA] .....	39
Control Over Population Growth Urged [RENMIN RIBAO 14 Apr] .....	40
Marx, Lenin, Stalin Portraits Not To Appear 1 May [ZHONGGUO TONGXUN SHE] .....	41
Life of Soong Ching Ling Exhibit Opens [XINHUA] .....	41
QIUSHI Table of Contents Reported [RENMIN RIBAO 14 Apr] .....	41

## Economic & Agricultural

JINGJI GUANGLI on Shareholding System [No 2] .....	42
Preconditions Outlined .....	42
'Doubts' Outlined .....	45
Reporters Detail Agricultural Production Problems [XINHUA] .....	48
Agricultural Experts Urge Promotion of Research [XINHUA] .....	49
Figures on Farmers' Per Capita Income Released [XINHUA] .....	49

Change in Diet Could Relieve Food Shortage [XINHUA]	49
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## REGIONAL AFFAIRS

### East Region

Anhui People's Congress Standing Committee Meets [Hefei Radio]	51
Anhui Secretary Writes Development Book Preface [ANHUI RIBAO 22 Feb]	51
Xiamen To Implement Enterprise Stock System [CEI Database]	53
Jiangsu's Han Peixin Article in New Journal [Nanjing Radio]	53
Mao Zhiyong Present at Jiangxi Farming Meeting [Nanchang Radio]	53
Activities of Shanghai's Jiang Zemin Highlighted	54
Meets Advanced Collectives [Shanghai Radio]	54
Writes About Population Problem [Shanghai Radio]	54
Zhu Rongji Speaks at Shanghai People's Congress	55
Discusses Foreign Investment [XINHUA]	55
Sets Traffic Problem as Priority [XINHUA]	55
Shanghai Amends, Drafts Foreign Investment Laws [XINHUA]	56

### North Region

Wang Qun at Inner Mongolian CPPCC Session [Hohhot Radio]	56
Tianjin Conference on Party Member Education [Tianjin Radio]	56

### Northeast Region

Jilin 1989 Economic Development Plan Outlined [JILIN RIBAO 24 Mar]	57
Jilin Holds Meeting on Spirit of NPC Session [Changchun Radio]	59
'Emergency' Meeting on Jilin Drought Held [Changchun Radio]	60
'Mass Emulation Drive' Slated To Begin in Jilin [Changchun Radio]	60
Sun Weiben at Heilongjiang Reform Conference [Harbin Radio]	61
Heilongjiang Official Discusses Soviet Trade [CEI Database]	61
Heilongjiang Officials at Family Planning Rally [Harbin Radio]	62
Quan Shuren at Liaoning Family Planning Rally [Shenyang Radio]	62
New Airport Opens in Liaoning Capital [XINHUA]	63

### Northwest Region

Gansu's Li Ziqi at Crime Problem Meeting [Lanzhou Radio]	63
Gansu Meeting Urges Action on Plant Diseases [Lanzhou Radio]	63
Ningxia Hui Region Produces Record 1988 Harvest [XINHUA]	63
Ningxia Cultivates Economic Ties With Coast [CEI Database]	64
Qinghai Rally Stresses Family Planning [Xining Radio]	64
Shaanxi Calls for Publicizing Demonstration Rules [Xian Radio]	65
Shaanxi Governor Views Population Problem [Xian Radio]	65
Shaanxi To Straighten Out Capital Goods Market [Xian Radio]	65
Xinjiang Adopts Drought Relief Measures [Urumqi Radio]	65
Xinjiang Supplies Raw Materials to Interior [XINHUA]	66
Gold Rush Persists in Xinjiang Despite Ban [XINHUA]	66

## TAIWAN

New Procedures for Foreign Visa Applications [CNA]	67
News Coverage, Filming on Mainland Permitted [CNA]	67
Teachers Visits To Mainland Approved [CNA]	67
Calling Mainland Via Hong Kong Possible 'Soon' [CNA]	68
Government Reviews Mainland Investment Policy [CNA]	68
Official Notes Industry Move to Mainland [CNA]	68

## HONG KONG & MACAO

### Hong Kong

UK Foreign Affairs Committee Delegation Visits [SOUTH CHINA MORNING POST 18 Apr] .....	69
Columnist Views Visit [SOUTH CHINA MORNING POST 18 Apr] .....	69
Survey Says Brain Drain at 'Crisis' Level [HONGKONG STANDARD 18 Apr] .....	71
'Analysis' on Drain [HONGKONG STANDARD 18 Apr] .....	72
Failure To Curb Inflation Rate Examined [ZHONGGUO TONGXUN SHE] .....	73
Mainland Trade With Hong Kong, Macao Increases [XINHUA] .....	73
Re-Exports Rise 51 Percent in 1988 [HONGKONG STANDARD (BUSINESS STANDARD) 18 Apr] .....	74

## General

### Foreign Ministry Holds Weekly News Briefing

#### Says No Foreigners To Attend Funeral

HK2004094089 Beijing XINHUA in English  
0928 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—No arrangements have been made for foreign delegations or representatives to attend the memorial service for Hu Yaobang, former Chinese Communist Party (CPC) general secretary, who died last Saturday.

In response to a question at today's weekly press briefing, Chinese Foreign Ministry spokesman Jin Guihua said that according to China's usual practice, China makes no arrangements for delegations or representatives from foreign governments, political parties and friendly personages to come to China to participate in the memorial service or mourning activities for a Chinese leader.

"We extend our heartfelt thanks to countries wishing to send delegations to participate in Hu's memorial service or activities of condolence," the spokesman said.

"To my knowledge, there are no arrangements for foreign reporters to cover Hu's memorial meeting," the spokesman added.

He said that Hu's life was a glorious one and he had conferred lasting benefit on the party and the people of China, adding that he was highly appraised in an obituary issued by the CPC Central Committee, and the Chinese people mourn with profound grief over his death.

#### Comments on New Taiwan Concept

OW2004122789 Beijing XINHUA in English  
1203 GMT 20 Apr 89

["One Country, Two Systems' Best for Peaceful Reunification of China: Spokesman"—XINHUA headline]

[Text] Beijing, April 20 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that "one country, two systems" is the most practical and realistic formula for the peaceful reunification of China.

Jin Guihua made the remark at the weekly news briefing, while commenting on the Taiwan authorities' new concept of "one China, two equal governments."

He said that it is known to all that there is only one China, that the Government of the People's Republic of China is the sole legitimate government representing the whole of China and that Taiwan is an inalienable part of the Chinese territory.

"We are firmly opposed to any words or deeds that may lead to 'two Chinas' or 'one China, one Taiwan'," the spokesman added.

When asked if it is still possible that China uses forces against Taiwan, the spokesman said that "peaceful reunification of China is our set policy because this conforms with the fundamental interests and common aspiration of the people on both sides of the Taiwan straits."

"However, this is not only up to us," he added, "we have never promised not to use non-peaceful means. The reason is very simple: Such a promise will make the peaceful reunification very difficult."

The spokesman also extended a welcome to a Taiwan delegation to be led by Mr Kuo Wan-jung to attend the coming annual meeting of Asian Development Bank to be held in Beijing soon.

#### Comments on Bahrain Ties

HK2004152989 Beijing XINHUA Hong Kong Service  
in Chinese 1227 GMT 20 Apr 89

[Excerpts] Beijing, 20 Apr (XINHUA)—At a news briefing held here this afternoon, Chinese Foreign Ministry Spokesman Jin Guihua said that "one country, two systems" is the most practical and realistic formula for the peaceful reunification of China. [passage omitted]

A reporter asked: Recently, China has established diplomatic relations with the State of Bahrain. However, the joint communique issued by both countries did not say that "the Government of the People's Republic of China is the sole legitimate government of China" as a joint communique of similar nature usually does. Did China and the State of Bahrain ever talk about the question of Taipei's commercial institution in the State of Bahrain during their negotiations on the establishment of diplomatic relations?

The Chinese Foreign Ministry spokesman replied: The establishment of diplomatic relations between China and the State of Bahrain completely accords with the fundamental interests and aspirations of the two peoples and signifies a new stage in the friendly relations between the two countries. Since China and the State of Bahrain have already established diplomatic relations with each other, it goes without saying that the Government of the People's Republic of China is the sole legitimate government of China. [passage omitted]

#### Opposes Dalai Lama Political Activities

OW2004083489 Beijing XINHUA in English  
0810 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—The Chinese Foreign Ministry spokesman Jin Guihua said here today that "it would be an unfriendly act to China if officials or any person with official background or any high-ranking



personage of any country should receive Dalai in any capacity and under whatever arrangements. The Chinese Government cannot agree to that."

Responding to a question raised at the weekly news briefing, the spokesman said, "The Dalai Lama is not merely a religious figure. He is also a person living in exile abroad and engaged in political activities. We are opposed to Dalai's engaging in political activities in whatever capacity in foreign countries and making statements detrimental to the unity of the motherland and of the various nationalities."

The spokesman was asked to describe the reaction of the Chinese Foreign Ministry to the fact that it has been reported that the Dalai Lama, currently on a visit to some West European countries, has made or will make statements on the question of Tibet and will meet with official figures or people with official background in these countries.

#### **Discusses Hong Kong, Other Issues**

HK2004154189 Beijing ZHONGGUO XINWEN  
SHE in Chinese 1051 GMT 20 Apr 89

[Report: "Jin Guihua Answered Reporters' Questions Concerning Hong Kong"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 20 Apr (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Jin Guihua touched on Hong Kong and other issues in answering reporters' questions at the news conference.

He stated that since the Sino-British Joint Declaration, Hong Kong has maintained prosperity and stability, and connections between Hong Kong and the mainland are getting increasingly closer. The government hopes that this condition continues.

Touching on the stationing of Soviet troops on the Sino-Soviet border, Jin Guihua said that it is not necessary for the Soviet Union to station troops on the Sino-Soviet border, that the Soviet Union should considerably reduce the force there.

Questions were raised by reporters concerning the date of Zhao Ziyang's visit to North Korea. Jin Guihua answered that General Secretary Zhao Ziyang will be visiting the Democratic People's Republic of Korea in the second half of April. During the visit Zhao Ziyang will hold in-depth and wide-ranging discussions with North Korean leaders on international issues of concern to both sides and on bilateral relations. Jin Guihua did not reveal the names of Zhao's entourage.

#### **Urges Broad-Based Afghan Coalition**

OW2004084589 Beijing XINHUA in English  
0756 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—As a leader of the Afghan resistance forces, Gulbuddin Hikmatyar is currently here on a goodwill visit to China from April 19 to 20, a Chinese Foreign Ministry spokesman announced here today.

Gulbuddin has been accorded friendly reception by the Chinese People's Institute of Foreign Affairs, spokesman Jin Guihua said in response to a foreign correspondent's question at a news briefing here this afternoon.

President Han Nianlong of the institute met Gulbuddin and his party and hosted a dinner in their honor, Jin said. Also, Chinese Foreign Minister Qian Qichen and Vice Foreign Minister Liu Shuqing met Gulbuddin and his party separately.

Responding to a question about whether China is ready to recognize the interim government of the Afghan resistance forces during Gulbuddin's visit, Jin reiterated that China hopes to see the establishment of a broadly-based coalition government in Afghanistan acceptable to all parties, so as to bring about peace, to restore the nation's independent, neutral and non-aligned status, thus enabling Afghan refugees to return to their homeland in safety and dignity at an early date.

#### **Notes Sri Lankan Leader To Visit**

OW2004085289 Beijing XINHUA in English  
0745 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—Prime Minister of Sri Lanka D.B. Wijetunge will pay a visit to China from 30 April through 3 May, before attending the annual meeting of Asian Development Bank to be held in Beijing in early May.

Chinese Foreign Ministry spokesman Jin Guihua made the announcement at a weekly news briefing here this afternoon.

#### **Foreign Trade Development Strategy Described**

OW2004092689 Beijing XINHUA in English  
1356 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—China is willing to develop economic trade relations with all countries except a few with special political situations, such as Israel and South Africa, a high-ranking government official said today.

Ji Chongwei, research fellow of the Economic, Technological and Social Development Research Center of the State Council, was describing China's strategy for foreign-trade development at the international symposium on development strategies for Third World countries.

Ji said it is impossible for China to adopt completely an export-oriented strategy in order to develop an export-directed economy. Instead, China should "adopt an open strategy combining import substitution and export orientation, a strategy that can expand economic relations and co-operation with foreign countries and enhance China's international competitiveness."

He said different regions and industries should develop the open strategy in varying degrees according to their own conditions and characteristics, and according to supply and demand at home and abroad.

For instance, he said, some open coastal cities and regions and part of the textile and the light industries should adopt a strategy emphasizing export orientation as the main part and the production of import substitutes as the auxiliary.

Ji added that the hinterland and metallurgical, machine-building and chemical industries should introduce a strategy directed mainly at meeting domestic needs and import substitution while producing for export as a secondary purpose.

"One of the outstanding characteristics of China is its extremely rich labor resource," Ji said. "Therefore, during the past decade, China has developed many labor-intensive industries."

"In setting foreign-trade strategy, we consider it necessary to further develop labor-intensive industries, particularly to absorb part of this kind of industry from some industrially developed regions, such as Japan, Hong Kong, Taiwan and South Korea, and transfer them to the Chinese mainland."

Ji added that, in view of the limited capacity of the international market for labor-intensive products, a relatively low added value and heated competition among many developing countries in this field, it is not advisable to focus long-term development on ordinary products processed through simple labor.

Ji said: "Instead, emphasis should be placed on a gradual shift to a selective number of industries with a high level of elastic demand for their products in the world market, and on products jointly produced with indigenous resources, technology and labor."

In selecting key export-oriented industries, he said, China adopts a ladder-shaped rolling strategy for different types of industries:

- To promote the export of traditional products of light industry, textiles, food, the chemical industry, pharmaceuticals and building materials by diversification, and by improving quality and packaging to meet the needs of ever-increasing world consumption;
- To enable exports of machinery, electronics products, household electrical appliances and durable consumer goods to develop;

- To rapidly develop hi-tech industries, such as informatics, optical-fiber telecommunications, aviation and astronautics, biological engineering and super-conductive materials;
- To develop those agricultural products that have an international market and domestic advantage to earn foreign exchange through export, such as silk, tea, Chinese medicinal herbs, meat, leather and fur, duck's down, bristles, aquatic products and fruit.

#### Scholar on Asian-Pacific Developing Economies

OW1904225489 Beijing XINHUA in English  
0818 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—An outward-oriented development strategy has proved successful for the Asian-Pacific developing economies, a Chinese scholar said today.

Bai Yulin, associate research fellow with the Chinese Institute of Contemporary International Relations, said the achievements of Asian-Pacific developing countries and territories represent the most salient change in the region over the past decades.

Bai told an international symposium on development strategies for Third World countries, which opened here today, that a favorable international environment and the shift from import-substitution to export-orientation helped their success.

These countries and territories include the so-called "Small Four Dragons" of Singapore, Hong Kong, Taiwan and South Korea, and the "ASEAN Four" of Malaysia, Thailand, Indonesia and the Philippines.

He said the annual growth rate of "the Small Four Dragons" averaged 8.5 percent, while the figure for "the ASEAN Four" was 5.9 percent in the past 28 years.

The fastest runner is South Korea, jumping from 100 U.S. dollars of per capita GNP in 1960 to 3,600 dollars in 1988.

The reasons behind their successful stories, Bai said, are foreign funds as a conduit for absorbing advanced technology, export as an important motivating force, and high savings and investment as a basic guarantee for economic development.

Yet, economic difficulties occurred in "the Small Four" and "the ASEAN Four", with unprecedented negative growth in Singapore, Malaysia and the Philippines from 1983.

"Sure. The worldwide depression then was a very important factor responsible for this," he said, "but the main reasons are the shortcomings in their economic policies and industrial structure."



The import-substitution policy lessened the vigor of their manufacturing and heavy dependence on exports led to big imports.

He added that excessive administrative intervention and the contradiction between economic development and unfair distribution of wealth aggravated the difficulties.

Bai believes that the way out for the Asian-Pacific developing countries is to take advantage of their rich resources, develop processing industries and manufacture goods for both export and domestic consumption.

He said that because of the momentum for growth accumulated over recent years, and the capital and technology absorbed from foreign investment, the economies of the Small Four and the ASEAN Four will continue to grow "rather satisfactorily."

**Sino-Arab Food Production Cooperation Discussed**  
*OW1904153189 Beijing XINHUA in English*  
0940 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—Cooperation in food production deserves a prominent place in the development of all-round Sino-Arab cooperation, according to a Chinese Middle-East expert.

Shen Changchun, council member of the Chinese Society for African Studies, made the remarks at an international symposium on development strategies for Third World countries held here today.

The Arab world enjoys natural conditions favorable to the growth of food and a political climate characterized by the growing trend of reconciliation helps these countries concentrate their energy on solving the food supply problem, he said.

China and Arab countries have maintained good relations and have developed a profound friendship on the basis of the five principles of peaceful coexistence since the 1950s, with bilateral relations steadily expanding, he said.

But, he said, both the Chinese and Arab Governments share the desire to further develop their bilateral relations, especially in the area of economic cooperation.

He said that China and the Arab countries have already had some initial cooperative experience in undertaking farmland capital construction and water conservation projects.

"This has laid a solid foundation for future cooperation," he said.

Recent years have seen growing investment in China by Kuwait, the United Arab Emirates and other Arab countries, he said.

And further successful experience has already been accumulated in Sino-Arab cooperation featuring the use of Gulf funds, Arab resources and Chinese manpower and equipment, he said.

He also noted that there are ten Muslim nationalities with 16 million people in the northwest provinces and regions of China.

These people share with Arab nations habits, customs and religious beliefs, thus it is all the more convenient for them to carry out cooperation in contractual labor service and food production, he said.

The Middle East expert then offered some suggestions concerning Sino-Arab cooperation in food production and supply:

- The two sides may set up a joint body to exchange experience in food production and study the scope and prospects of such cooperation;
- Governments and non-governmental organizations belonging to both sides can help promote cooperation in contractual labor service and let China's labor contract teams undertake the development of Arab agriculture and animal husbandry;
- Multilateral cooperative joint ventures may be set up in the Arab countries using Gulf funds, Chinese technical forces and equipment and Arab resources to develop rural industries and conduct intensive processing of farm and stock-raising products in the Arab countries;
- Finally, the five provinces and regions in northeast China may import Arab funds to build meat processing and dairy product plants and Muslim food industries, in order to supply the Arab market before the Arab countries become self-sufficient in food supply.

**Beijing Hosts Workers' Education Symposium**  
*OW2004071389 Beijing XINHUA in English*  
1332 GMT 18 Apr 89

[Text] Beijing, April 18 (XINHUA)—A 10-day Asia-Pacific region workers' education symposium on labor protection, working conditions and trade unions opened here today.

The symposium, sponsored by the International Labor Organization (ILO), is being attended by about 40 ILO officials and representatives of trade unions from 14 countries in the Asian and Pacific region.

Addressing the opening ceremony, Poloni, chairman of the Workers' Education Branch of the ILO, said that the aim of the symposium is to direct the attention of trade union officials, labor education officials and directors of workers' institutes to the increasing problems of workers' safety, health and conditions.

Poloni also urged all the participants to make special studies of these problems and promote exchanges of experiences among countries.

Describing the symposium as "very necessary and helpful," Ni Zhifu, president of the All-China Federation of Trade Unions, said that at present hundreds of millions of workers in the world are suffering from industrial accidents and occupational diseases. The situation in the Asia-Pacific region is as grave as it is elsewhere in the world.

He said, "The economy in our region is the most vigorous in the world. While people are happy with economic development, they cannot help but worry as well about the increase of accidents and occupational diseases, as well as environmental pollution brought about by industrial development."

He said that China has many problems in this regard, due to its backward science and technology, and low level of industrial and technical equipment.

#### **Wang Bingqian Meets Foreign Scholars**

OW1904143689 Beijing XINHUA in English  
1120 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—Wang Bingqian, state councillor and minister of finance, met and gave a dinner for foreign scholars and experts attending an international symposium on fiscal and tax system reform here this evening.

The symposium opened here Tuesday and will close Friday.

#### **Asian Development Bank Meeting Previewed**

OW2004101789 Beijing XINHUA in English  
0930 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—More than 2,000 leading bankers and high-ranking officials are expected to attend an international banking conference here from May 4 through 6, a Chinese Government official said here today.

The Asian Development Bank (ADB) will convene the 22nd annual meeting of its board of directors here on that date.

The delegates will come mostly from 47 bank members, and some from international economic and financial organizations and commercial banks.

According to a memorandum reached between the People's Republic of China and the ADB, Taiwan will also send a delegation headed by Governor Kuo Wan-jung.

### **United States & Canada**

#### **U.S. Air Force Staff Chief Meets Chi Haotian**

OW1904140289 Beijing XINHUA in English  
1014 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met General Larry D. Welch, chief of staff of the United States Air Force, here today.

General Wang Hai, commander of the PLA Air Force, was present at the meeting.

On Tuesday morning, Welch visited the Air Force Command college, where he gave a public speech to an audience of 400 and answered their questions.

#### **Talks With Qin Jiwei**

OW2004090189 Beijing XINHUA in English  
0824 GMT 20 Apr 89

[Text] Beijing, April 20 (XINHUA)—Chinese State Councillor and Minister of National Defense Qin Jiwei met Larry D. Welch, chief of staff of the United States Air Force, and his party here today.

Qin and Welch spoke highly of the growth of friendly relations between China and the United States over the past few years. They also exchanged views on some international issues.

Welch conveyed to Qin regards from U.S. Secretary of Defense Richard Cheney, saying that Cheney hopes Qin will visit the U.S. this year. Qin expressed thanks for this.

Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, and U.S. Ambassador to China Winston Lord were present at the meeting.

#### **Lack of Comprehensive U.S. Foreign Policy Viewed**

HK2004041389 Beijing RENMIN RIBAO in Chinese  
18 Apr 89 p 3

["International Outlook" column by Sai Bei (1049 0554): "Hesitation at a Turning Point"]

[Text] Recently, public opinion inside and outside the United States has been critical of the Bush administration's failure to work out a comprehensive foreign policy. The U.S. Government has now, at last, put forward three principles for its foreign policy, but it has not yet formulated a comprehensive one.

On 14 April, U.S. Secretary of State Baker announced the three principles which will guide his country's foreign policy in the future: continuing to maintain the leading position of the United States; realism; and cooperation between the two parties. The replacement of a comprehensive foreign policy with the three principles may have been disappointing for people who had too many expectations.

Foreign policy is a general policy for international politics; and international relations are formulated by a government according to its strategic objective in international affairs, and its careful analysis of the international situation. Diplomacy is just one of the means for pursuing this policy. Therefore, the three principles announced by Baker can hardly be considered as the United States' foreign policy. U.S. NEWS AND WORLD REPORT, a well-informed magazine, in its 17 April issue, described the foreign policy that the Bush administration will soon adopt as "Bush's work method in handling foreign policy." This is not without reason.

It is easy to understand why the Bush administration has found it so hard to work out a comprehensive foreign policy. The world situation is now at a major turning point. Many old concepts in international politics and international relations are being replaced by new ones, and the old combination of forces is making way for new combinations. The importance of economic factors is more and more obviously outweighing the importance of military strength. Under these circumstances, the United States was faced with many elusive factors, so it was hard to make rapid policy decisions. This thus caused hesitancy at a crucial juncture of the turning point.

For the United States, the biggest consideration in forming its foreign policy is how the foreign policy of the other superpower, the Soviet Union, will develop. However, the real headache comes from the increasing differences among the Western allies over the assessment of the current situation and policy changes. This has become an actual threat to the "leading position" of the United States. At present, the United States cannot win unanimous support from the allies on issues such as the modernization of short-range missiles in Western Europe, the reduction of conventional armaments in Europe, the settlement of regional conflicts, and the handling of trade. This thus weakened the bargaining position of the "leader of the Western alliance" in its dealings with the Soviet Union. No wonder an aide to President Bush said: "The problem we are facing is not one concerning East-West relations but one concerning relations between Western countries." So even if the first of Baker's three principles is realized on the surface, the United States will still have to be good at catering to various Western allies and seeking compromises with them, although this will not be an easy or pleasant job.

However, the Bush administration's plan to handle diplomacy in a pragmatic way in light of the domestic and international realities should win favorable comments. Prudent and pragmatic diplomacy can prevent major failures, and also prevent tension in the international situation. Its defect is, as the U.S. NEWS AND WORLD REPORT pointed out, a lack of clear orientation. "The car is bought and the engine is adjusted, but where is the map?" Perhaps, only after the United States has comprehensively reviewed its postwar foreign policy will it find the map and the correct orientation.

#### **Sino-U.S. Information Company To Be Formed**

OW1904143889 Beijing XINHUA in English  
1118 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—A Sino-U.S. information company, the China Dataquest Company, is to be set up following the signing of a joint agreement yesterday.

The joint venture was initiated by the Electronic Science and Technology Research Institute under the Chinese Ministry of Machinery and Electronics Industry and Dataquest Incorporated of the United States.

The company will promote information and academic exchange on electronics and trade, economic, and technological cooperation between China and the United States and other countries.

In addition, it plans to publish a journal to channel information between China and other countries and offer consultancy services.

The Dataquest Company is known for its market research and consultation services—especially with regard to research on the hi-tech electronics market.

The Electronic Science and Technology Research Institute is an information research and data center for the electronics industry which has collected hundreds of thousands of scientific and technological documents and journals in the past three decades.

#### **Yao Yilin Meets With Canadian Banker**

OW1904143189 Beijing XINHUA in English  
0939 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—Chinese Vice-Premier Yao Yilin met with William Mulholland, chairman of the Board of Directors and CEO of the Canadian Bank of Montreal, and his party here today.

Mulholland and his colleagues are here to discuss expanding trade and financial relations and mutual investment with the Bank of China.

#### **Northeast Asia**

#### **DPRK Official Welcomes Zhao Ziyang Visit**

OW2004090589 Beijing XINHUA in English  
0759 GMT 20 Apr 89

[Text] Pyongyang, April 20 (XINHUA)—O Mun-han, vice-chairman of the Central Committee of the Korea-China Friendship Association, said that friendly relations between the Democratic People's Republic of Korea (DPRK) and China are important in maintaining peace in Asia.



In anticipation of General Secretary of the Chinese Communist Party Zhao Ziyang's upcoming visit to the DPRK, O Mun-han spoke highly of the Korean-China friendship in an interview with XINHUA.

The vice-chairman said that General Secretary Zhao Ziyang will pay an official goodwill visit to his country at the invitation of Kim Il-song, general secretary of the Workers' Party of Korea.

O Mun-han said that Zhao's visit will offer great support for the people of DPRK during their socialist revolution and reconstruction.

O Mun-han added that the friendly relations between the two countries were once cemented by the blood of both peoples, and the people of DPRK will always treasure the friendly relations between the two countries and make great efforts in consolidating and promoting friendship between the two peoples.

#### RENMIN RIBAO Describes Events in ROK

##### On Arrest of Dissident

HK1904143789 Beijing RENMIN RIBAO in Chinese  
18 Apr 89 p 3

[Article by Zhou Bizhong (0719 1801 1813): "Mun Ik-hwan Incident"]

[Text] Advisor for the South Korean "United Association for All-Nationals Democratic Movement," Reverend Mun Ik-hwan, in the capacity of the premier leader of opposition groups for the last 40 years, made a visit between 25 March and 3 April to Pyongyang without authorization by the South Korean authorities. On arriving at Seoul's Kim Po Airport on 13 April, he was arrested by the security authorities on the charge of breaking the "National Security Law" and escorted to the Ministry of National Security Planning, where he was "investigated." On the same day a 1,500-strong rally was staged by more than 40 opposition groups, condemning Mun's arrest.

Why did Reverend Mun Ik-hwan's visit to Pyongyang create a storm in Seoul's political scene?

Since joining the opposition campaign for democracy in 1976, 71-year-old Reverend Mun Ik-hwan has been one of the renowned figures in South Korea's movements agitating for democracy. A church priest and a professor at a theological seminary all his life, he became as a result of such life-experience a person who will hold firmly to his grounds for practising his own faith, and his frank and open character has earned him a high reputation in society. His own opinions on the re-unification issue that dotted his speeches, and his demand for the pullout of South Korea-stationed U.S. troops have gained him the support of the masses; at the same time, they have touched a raw nerve in the authorities. Arrested and thrown in jail for the first time on 1 March 1976 for

drafting the "March First Save-the-Country Declaration" which opposed the Pak Chong-hui reform program, he was, during the following 13 years, arrested on 4 separate occasions and spent a total of 7 years behind bars. But such experience, ironically, whetted his will and made him determined to pursue democracy. He formulated his own view on the reunification issue: Unification means democracy, and democracy unification. He advocated a federal unification, to be effected in three phases. He pointed out that the reality of a split country was a hotbed for the forces against democracy, the nationals and the people of the country.

According to aides of Reverend Mun Ik-hwan, his Pyongyang visit can be described as a move of putting his faith into action. During his visit, he twice met with Chairman Kim Il-song and talked with him on the re-unification issue. He put his signature, together with that of Ho Ak, committee head of the Committee for the Peaceful Re-unification of the Motherland, on a nine-clause "Joint Declaration" on the principles concerning self-governing and peaceful re-unification. At the news conferences held in Pyongyang, Beijing and Tokyo, he remarked almost every time: "Results are more than I have expected." He also expected the possibility of "a north-south summit meeting."

Reverend Mun Ik-hwan's Pyongyang visit has stirred up considerable and different, sometimes sharply contrasting, responses in Seoul. Ho Hyong-ku, Minister of Justice, commented: "Obviously Mr. Mun has broken the National Security Law under Section 6, Article 1, and Section 8, Article 1." "The government policy is to investigate, in detail, his motives and purposes, the event and his activities in North Korea. Then he will be severely dealt with in accordance with the law." The ruling Democratic Justice Party considers Mun's Pyongyang visit an illegal act and holds that he should be arrested and that there should be an investigation. The party is worried about the appearance of a "second or third Reverend Mun incident." Party for Peace and Democracy expressed "regrets that Reverend Mun had not consulted with the government before his visit to the north." The Democratic Party jabbed both ways: It severely criticized Reverend Mun's visit to the north, and at the same time "objected to (the government's) dual manner of enforcing the law." It also exposed "the No-Tae-U government's attempt to exploit the 'north visit' incident to step up clampdowns on reasonable progressive forces." The National Democratic Republican Party considered that while the incident should be handled in accordance with the law, "the government's incoherent policy toward North Korea, which is responsible for inducing these kind of actions, should come under review." On the other hand, opposition parties such as the "United Association for All-Nationals Democratic Movement" made an announcement that condemned the government's acts of suppression on Reverend Mun Ik-hwan. When hearing the news of suppression before his return to Seoul, Reverend Mun Ik-hwan stated repeatedly: "I have been jailed many

times. I am not afraid of going to jail. But this time I do not want to go to jail, because I have many things to do." But things in contrast to his wish finally happened.

The disturbance stirred up by Reverend Mun Ik-hwan's visit to Pyongyang will not only affect the future direction of South Korea, but also the bilateral relations between South Korea and North Korea. According to reports, from now on South Korea will "reduce to a single window, the windows for interflow with North Korea," and "will be cautious in promoting the approach toward the North." On the other hand the announcement made by the Korean Committee for Peaceful Re-unification of the Motherland condemned severely the arrest of Reverend Mun Ik-hwan by the South Korean authorities, and held them responsible for all the consequences of such a move. At present the incident is still developing.

#### Views Political Situation

HK2004024989 Beijing RENMIN RIBAO in Chinese  
13 Apr 89 p 7

[Article by Gao Haorong (7559 3185 2837): "A Perspective on South Korea's Political Situation"]

[Text] The carnival atmosphere brought about by the Olympic Games has disappeared in South Korea, and high economic growth for 3 consecutive years has also become a historical fact. This year, the state of affairs in South Korea showed that the process of democratization had encountered more hurdles and many unstable factors are threatening the stability of the political situation.

#### The "Ruse of Hurting Oneself" That Failed to Win People's Sympathy

When running for the presidency, No Tae-u pledged that he would hold a referendum of confidence 1 year after he took office, and would voluntarily leave office if he was not supported by a majority of the people. However, when various political parties were actively preparing for the referendum, No Tae-u announced on 20 March that the referendum was indefinitely postponed because it "may cause social chaos."

This move, called the "ruse of hurting oneself," was by no means accidental. No Tae-u is a protege groomed by former president Chon Tu-hwan as his successor. He was deeply entangled with the many evils of Chon Tu-hwan. In late 1988, when handling the corruption case of the Chon Tu-hwan family and criticizing the "Fifth Republic," No Tae-u was rather passive which made people even more doubtful about him. At the same time, inside the ruling Democratic Justice Party, differences over the confidence referendum appeared. Moreover, as the strength of the opposition parties was growing and the strength of the ruling party was declining and the people were more and more strongly calling for democracy, No Tae-u could not but be very cautious for fear of outsmarting himself by holding the referendum.

An opinion survey showed that 70 percent of the respondents insisted on holding the referendum. In particular, young students resolutely opposed No Tae-u's decision to postpone the referendum and demanded that he immediately resign. The three opposition parties concentrated on criticizing the "Fifth Republic" and taking legal actions against those responsible for the "Kwangju Incident" in an attempt to further drive No Tae-u into a corner and to win more popular support. Public opinion holds that No Tae-u's "ruse of hurting himself" by breaking his own promise for the referendum has become a mortal wound for him.

#### The Internal Strife of the Ruling Clique Is Getting Intense

Before Chon Tu-hwan left office, he appointed a number of his trusted followers in various military units and government organs. These people were angry about the fact that Chon Tu-hwan was forced to make an open apology and live in seclusion. In particular, the criticism of the "Fifth Republic" and the investigation of the "Kwangju Incident" inevitably touched some big shots still in power. At the same time, the South Korean people have also more and more strongly expressed their desire for the country's reunification. Chong Chu-yong, honorary chairman of the Hyontae Group, and Mun Ik-hwan, a famous priest, separately visited Pyongyang and discussed the issue of reunification with the north. This also touched the conservatives to the raw.

Not long ago, Min Pyong-ton, commandant of the Army Cadet School, openly condemned some people for causing "confusion of values" and creating "illusion and false impression" in society. He claimed that "policies are decided by statesmen, but soldiers win through fighting." His speech gave rise to an uproar and various conjectures. Shortly thereafter, No Tae-u made a major personnel reshuffle in the army, and 48 generals, including Min Pyong-ton, were transferred or retired. Although some old guards left over by Chon Tu-hwan were thus removed from office and replaced with No Tae-u's own trusted cronies, the old guards still maintain a certain influence, and if there is an optimal condition, they will stir up trouble and cause a chaotic political situation.

#### Labor Movements and Student Unrest Continue

Another headache for No Tae-u is the upsurge of labor and student unrest. In the first 2 months of 1989, a total of 178 cases of labor unrest occurred in South Korea, and the number of labor unrest cases increased by 53 percent over the same period in 1988. Moreover, the scale of the strikes became larger, and the strikes also lasted for a longer time. In mid March, subway workers went on strike for 8 days, causing serious traffic chaos. Workers of the Hyontae Heavy Industry Corporation have insisted on their strike for 7 months, and there is no sign of an end to the strike. The anti-government struggle of the young students has also become better organized. In

late March, the National University Students' Association decided to set up 19 Student Struggle Headquarters in various localities to coordinate the struggle in 140 universities. Their objective has become clearer: "to force No Tae-u to resign."

The South Korean authorities are uneasy about this. A recent meeting of security bureau chiefs chaired by No Tae-u decided that policemen can "open fire to conduct self-defense" when facing people who raid public buildings and obstruct the performance of public duties in any place. Public Security Search Headquarters were then set up to search the offices of opposition organizations and student organizations and examine their documents. "The problematic things will be disposed of according to the laws."

These measures were strongly opposed by students and opposition parties, and were denounced as "anti-democratic" and as a "threat to the people" and "residual influence" of Chon Tu-hwan. Experience shows that violent suppression of student movements will only cause bloody conflicts and intensify the contradictions, thus aggravating the unrest in the political situation.

#### **Leaders Pay Respects to Deceased Japanese Expert**

OW1904225889 Beijing XINHUA in English  
0821 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—Jiro Yokokawa, a Japanese expert with the "CHINA PICTORIAL" died here of illness April 12 at the age of 88.

More than 300 Chinese party and state leaders, and friends of the deceased paid their last respects today at the Babaoshan Cemetery for Revolutionaries.

Born in Futushima County, Jiro Yokokawa graduated from Tokyo Imperial University in 1924. Then he taught at Utsunomiya Agricultural University. He was dismissed from his position for his progressive views in 1929.

He later translated the works of Karl Marx and Friedrich Engels, and books about China into Japanese.

In 1936 he came to China to work for the South Manchurian Railway Company, and was later jailed by the Japanese military police. After the Japanese surrender in 1945 he decided to stay in China.

He had worked at the Northeast People's Government and the Sichuan Provincial Agricultural Department before he came to work as a Japanese-language expert at "PEOPLE'S CHINA" and "CHINA PICTORIAL" in 1960.

### **Near East & South Asia**

#### **New Sino-Bahraini Diplomatic Ties Discussed**

##### **Will Promote Trade**

HK2004090989 Beijing CHINA DAILY in English  
20 Apr 89 p 2

[By staff reporter Liu Hong]

[Text] The establishment of diplomatic relations between China and the State of Bahrain will give impetus to trade and other economic exchanges between the two countries, an official with the Ministry of Foreign Economic Relations and Trade (Mofert) told CHINA DAILY yesterday.

Although Mofert has yet to work out specific plans, the prospects for expansion in trade and other economic cooperation between the two countries are very good, according to the official.

China and Bahrain established diplomatic relations at the ambassadorial level on Tuesday.

Trade between the two countries dates back to the 1950s, but it has remained at a low level.

According to the Mofert official, last year's trade volume between the two countries registered \$9.12 million. The bilateral trade had reached a total of \$65 million during 1970s.

Bahrain used to be among the world's leading petroleum producers. But the fall in world oil prices in the early 1980s greatly curtailed its ability to import foreign goods and was the main cause for the slow development of trade with China.

Chinese exports include textiles, food and other light industrial products.

Bahrain has developed its own petrochemical, steel and aluminium industries in recent years, and many international banks and financial institutions have opened business there, said the Mofert official, thus adding to the opportunities for economic cooperation.

##### **Editorial Applauds**

HK2004094189 Beijing RENMIN RIBAO in Chinese  
19 Apr 89 p 1

[Editorial: "Congratulating the Establishment of Diplomatic Relations With Bahrain"]

[Text] With a view to consolidating and developing friendly bilateral relations of cooperation, the PRC and the State of Bahrain decided to establish diplomatic relations at the ambassadorial level as of 18 April, 1989. The establishment of diplomatic relations between the PRC and the State of Bahrain will certainly open up new



vistas for the further development of the existing friendly relations between the two countries. Here, we would like to take this opportunity to extend our warm congratulations on the establishment of diplomatic relations between the PRC and the State of Bahrain.

The State of Bahrain, which is situated on the eastern bank of the Arab Peninsula, is a pearl in the central Gulf. Since becoming independent in 1971, the Government of the State of Bahrain has followed a diversified policy in promoting the economic development of the State of Bahrain. Apart from greatly developing its petroleum industry, the State of Bahrain has also made great efforts to develop its agriculture, tourist industry, and finance. Now, the State of Bahrain, which is situated in a favorable geographical location and has advanced communications and telecommunication facilities, has become a financial center in the Middle East. In developing its external relations, the State of Bahrain has all along followed a neutral and non-aligned foreign policy, made consistent efforts to safeguard the unity of the Arab world and the good-neighbor relations among various Gulf countries, and adhered to the principle of respecting other countries' state sovereignty, not interfering in other countries' internal affairs, not resorting to force, and settling disputes with other countries through peaceful means. Therefore, the foreign policy and stand adhered to by the State of Bahrain has been widely praised by the international community.

China always holds that all the countries, big or small, are equal and should respect and carry out friendly cooperation with one another. In 1971, the late Chinese Premier Zhou Enlai sent a message to the Amir of the State of Bahrain, congratulating him on the independence of the State of Bahrain. Over the past few years, trade and friendly exchanges between the PRC and the State of Bahrain have increased greatly. We sincerely hope that the PRC and the State of Bahrain will further develop their friendly relations on the basis of mutual respect for state sovereignty and territorial integrity and in accordance with the principles of peaceful coexistence, equality, and non-interference in each other's internal affairs.

**Pakistan's Bhutto Receives Science Delegation**  
*OW2004083689 Beijing XINHUA in English*  
0639 GMT 20 Apr 89

[Text] Islamabad, April 20 (XINHUA)—Pakistan Prime Minister Benazir Bhutto received a five-member Chinese delegation led by Zhou Ping, vice-chairman of the State Science and Technology Commission, here Wednesday night.

The Chinese delegation arrived here on April 18 to attend the session of the China-Pakistan Joint Committee on Science and Technology Cooperation.

During the meeting with B. Bhutto, the members of the Chinese delegation briefed her on their discussions with Pakistan officials and informed her that the 8th protocol for cooperation in the field of science and technology between the two countries has been completed satisfactorily.

The Pakistan prime minister emphasized the importance she attaches to the role of science and technology in national development.

B. Bhutto said that she is looking forward to further strengthening the cooperation between Pakistan and China.

The China-Pakistan Joint Committee on Science and Technology Cooperation held its first meeting on April 18. Both sides have identified a number of areas of collaboration including development of joint research projects, exchange of visits of scientists and technologists, training of scientists and exchange of scientific experience and information.

The 9th protocol for cooperation on science and technology between China and Pakistan is expected to be signed here today.

**Afghans Urged To Implement Geneva Accords**  
*OW2004051589 Beijing XINHUA in English*  
1820 GMT 19 Apr 89

[Text] United Nations, April 19 (XINHUA)—China today urged all parties concerned in Afghanistan to fully carry out the Geneva Accords on Afghanistan so as to bring an early settlement in the war-torn country.

"The parties concerned should implement the agreements already in effect in real earnest and let the various political forces in Afghanistan work out a broadly-based coalition government through consultation free from outside interference," Chinese Permanent Representative to the United Nations Li Luye told the U.N. Security Council this morning.

Only by doing so, the Chinese ambassador said, can Afghan refugees safely return to their homeland and an early restoration of Afghanistan's status as an independent, sovereign, neutral and non-aligned country be possible.

He was addressing the U.N. Security Council, which has met for the third time since last week at the request of the Kabul regime to review what it called the violations of the Geneva agreements by Kabul.

Li expressed the deep concern of the Chinese Government and people over the present situation in Afghanistan.

"Such a situation tells us that Soviet troop withdrawal notwithstanding, the serious aftermath of a prolonged military occupation by Soviet forces is far from being removed," he pointed out, "and the peace longed for by the Afghan people is yet to become reality."

He said the Geneva accords, in order to prevent violation of the agreement, lay down proper mechanisms and procedures to handle accusations.

He said the U.N. Good Offices Mission in Afghanistan and Pakistan have worked very hard to fulfil its mandate.

Moreover, the U.N. General Assembly adopted a resolution last November requesting that U.N. Secretary-General Javier Perez de Cuellar promote efforts for an early, comprehensive political settlement of the Afghan question.

"What is important now, in our opinion, is that the parties concerned should set themselves to implement the Geneva accords in real earnest so as to support the secretary-general's efforts for an Afghan settlement with their own concrete actions," he stressed.

At the previous two meetings of the council last Tuesday and this Monday, many speakers pointed out that the problem of Afghanistan is a problem between the isolated regime in Kabul that refused to depart and the Afghan people who had rejected it.

Therefore, they urged the establishment of a broadly-based government in Afghanistan that can be accepted by all Afghan people.

Ambassador Li told the council today that the Chinese delegation "does not see if any positive purpose will be served by a Security Council debate on Afghanistan's current domestic situation."

He stressed that the Geneva accords "have already provided appropriate mechanisms and procedures for handling similar disputes and the council debate on this question right now "will not help the prospect of a comprehensive political settlement of the Afghan question."

**Government Reiterates Stance on Middle East**  
*OW1904202689 Beijing XINHUA in English*  
0633 GMT 19 Apr 89

[Text] Algiers, April 18 (XINHUA)—China will continue its untiring efforts in restoring Palestinian people's legitimate rights and promoting the just and reasonable settlement of the Middle East problem.

This was stated by the spokesman of the Chinese Embassy here today in response to the April 12 open letter of the Algerian paper "EL-MOUDJAHID" to the permanent members of the U.N. Security Council urging them to end the Israeli genocide atrocities in the occupied territories.

"We highly appreciate the intifadha (uprising) of the Palestinian people against the Israeli occupationists and we in solidarity with you denounce Israeli barbarous repression," the spokesman added.

He described the proclamation of the independent Palestinian state and a series of recent flexible steps taken by the PLO as a new contribution to the efforts in accelerating the rhythm of peaceful process in the Middle East, and reiterated the Chinese Government and people's consistent support for the Palestinian people's just struggle.

He also urged the Israeli authorities to abandon their policy of aggression and expansion, end their repression in the occupied territories and respond positively to the initiatives in seeking for peace in the Middle East.

In conclusion, the spokesman advocated the holding of an international conference under the auspices of the United Nations for a just and reasonable settlement of the Middle East problem as early as possible.

**Saudi Arabia To Open Beijing Trade Office**  
*OW2004064189 Beijing XINHUA in English*  
1203 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—Saudi Arabia has decided to set up a trade representative's office in Beijing, Deputy Minister of Finance and National Economy of Saudi Arabia Abdullah El-Kuwaiz said here today.

Kuwaiz, also director-general of the Arab Monetary Fund, disclosed the information in an interview with XINHUA. He said that the director of the office has been appointed.

Kuwaiz is attending an ongoing international symposium on Third World country development strategy here.

"As far as I know," Kuwaiz said, "both China and Saudi Arabia have decided to open a trade representative's office in each other's country shortly."

Saudi Arabia is the only Arab country that has no diplomatic relations with China.

Lu Xuejian, Chinese vice-minister of foreign economic relations and trade, met Kuwaiz today and they explored ways of enhancing economic cooperation and development between China and the Gulf Cooperation Council.

**Iranian Media Officials Visit Beijing**  
*NC2004070089 Beijing in Persian to Iran*  
1830 GMT 17 Apr 89

[Text] On 15 April, the delegation of the Voice and Vision of the Islamic Republic of Iran visited the (?summer) park, accompanied by Xu Chonghua, deputy minister of radio, cinema, and television. They also attended a luncheon given in their honor by Mr Xu Chonghua.

In the afternoon the minutes of the meeting were signed between the PRC Radio, Cinema, and Television Ministry and the Voice and Vision of the Islamic Republic of Iran at China's color television center.

Present at the signing ceremony were Mr Ai Zhisheng, minister of radio, cinema, and television; officials of the central radio, or the domestic programs; officials of

Radio Beijing, or the foreign programs; and (?officials) of Chinese television. Mr Ala-ed Din Borujerdi, Iran's ambassador to China, was also present.

After their successful visit to China, the delegation of the Voice and Vision of the Islamic Republic of Iran left Beijing for Tehran.

## Political & Social

### Hu Funeral Plans, Memorial Service Detailed

#### Deng May Not Speak

HK2004042489 Hong Kong MING PAO in Chinese  
20 Apr 89 p 2

[Dispatch from Beijing: "Deng Xiaoping Has Not Yet Decided Whether He Will Give the Memorial Speech at Hu Yaobang's Memorial Meeting"]

[Text] According to the latest report, the details of Hu Yaobang's memorial meeting, to be held on 22 April, have not been arranged to date, mainly because supreme leader of the CPC Deng Xiaoping has not yet decided whether he will give the memorial speech at the meeting.

According to sources here, the highest leadership level of the CPC originally decided that Hu Yaobang's memorial meeting would be presided over by Zhao Ziyang, and Deng Xiaoping would deliver the memorial speech. However, owing to the fact that Deng Xiaoping has not yet decided whether he will make the memorial speech, the above-mentioned arrangements might be changed. Deng Xiaoping might preside over the meeting and Zhao Ziyang deliver the speech.

According to the sources, the writing of the memorial speech has not been completed, because members of the Political Bureau of the CPC Central Committee hold divergent views on how to write the speech. The obituary notice was written by the Office of the CPC Central Committee, whereas the memorial speech to be delivered at the memorial meeting is being collectively discussed by members of the Political Bureau. It has been learned that some members of the Political Bureau maintain that the CPC must pass judgment in a practical way on Hu Yaobang's falling out of power in 1987, whereas most members hold that the method for writing obituary notices must be followed, that is, the matter of 1987 must not be mentioned at all. Deng Xiaoping and Zhao Ziyang have not yet offered condolences in the mourning room of Hu Yaobang's residence. Some people believe that this is closely connected with the content of the memorial speech. The sources also reveal that members of the office responsible for Hu Yaobang's funeral arrangements include Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, Hu Qili, member of the Standing Committee of the Political Bureau of the CPC Central Committee, Song Ping, member of the Political Bureau and concurrently head of the Organization Department, and Wen Jiabao, alternate member of the central Secretariat and director of the Office of the Secretariat.

After the memorial meeting and the ceremony to pay last respects to Hu Yaobang's remains, to be held on 22 April, the remains will be cremated at the Babaoshan Revolutionary Martyrs' Cemetery. About 4,000 to 5,000 people will attend the 22 April memorial meeting.

Regarding the participants in the memorial meeting, a quota system will be followed. Leaders above vice ministerial level will be invited to attend the memorial meeting.

#### Convoy To Escort Hu's Remains

HK1904135789 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1041 GMT 19 Apr 89

[Report: "Hu Yaobang's Remains Will Be Sent Under Convoy to the Babaoshan Revolutionary Cemetery for Cremation"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO TONGXUN SHE)—This reporter has just learned from the Hu Yaobang Funeral Office here that after the grand memorial service for Hu Yaobang and the ceremony to pay last respects to his remains to be held in the central auditorium of the Great Hall of the People in Beijing on the morning of 22 April, the remains of this great statesman and reformer will be convoyed to the Babaoshan Revolutionary Cemetery in the western suburbs of Beijing for cremation.

The Hu Yaobang Funeral Office is led by a group comprising Qiao Shi and Hu Qili, both members of the Standing Committee of the CPC Political Bureau; Song Ping, member of the CPC Political Bureau and head of the Organizational Department of the CPC Central Committee; and Wen Jiabao, alternate member of the Secretariat and director of the General Office of the CPC Central Committee.

In the past few days many schools, enterprises, and service units in Beijing and throughout China have set up mourning halls for Hu Yaobang on their own, and many people have presented wreaths and participated in various mourning ceremonies to express their grief over the death of this former CPC general secretary who was known as an honest leader. A responsible person of the funeral office said: All the mourning activities organized by the broad masses are justified, fully understandable, and should thus be supported. He also confirmed that the funeral procedures for Comrade Hu Yaobang will be carried out as scheduled and announced by the CPC Central Committee.

#### CPC Announcement on Memorial Service

OW1904161689 Beijing XINHUA Domestic  
Service in Chinese 1203 GMT 19 Apr 89

[From the "Local Broadcast News Service"]

[Text] Beijing, 19 Apr (XINHUA)—Announcement of the CPC Central Committee on holding a memorial service in Beijing for Comrade Hu Yaobang and a ceremony to pay last respects to his remains lying in state:

The CPC Central Committee has decided that a memorial service for Comrade Hu Yaobang and a ceremony to pay last respects to his remains lying in state will be held at the central hall of the Great Hall of the People at 1000



[0100 GMT] on 22 April 1989. The Central People's Broadcasting Station and the Central Television Station will cover the occasion live at that time. Local authorities may organize the people to listen and watch the live telecast of the memorial service.  
The CPC Central Committee  
19 April 1989

## Demonstrations Continue in Wake of Hu Death

### Media Reporting Suppressed

HK1904030489 Hong Kong MING PAO in Chinese  
19 Apr 89 p 2

["Special dispatch": "Official Media Receive Instruction on Not Reporting Students' Activities"]

[Text] Beijing—According to a well-informed source here, the Propaganda Department of the CPC Central Committee has made the following instruction to the Chinese media: No articles, photographs, videos, or recordings on the students' violent acts should be allowed to appear in the official media. The official media can only report on the organized activities of various units mourning Hu Yaobang.

Moreover, the source disclosed that Hua Guofeng, former chairman of the CPC Central Committee, arrived at Hu Yaobang's residence yesterday to mourn over Hu's death. Hua Guofeng told Hu's wife Li Zhao that he was also suffering from myocardial infarction. When he was informed of Hu's illness, he intended to pass on his secret and personal experience in dealing with the illness to Hu Yaobang. However, he never expected that Hu would pass away so quickly. He deeply regretted the loss of Hu.

### 100,000 Pack Tiananmen Square

HK1904140089 Hong Kong AFP in English  
1346 GMT 19 Apr 89

[By Patrick Lescot]

[Excerpts] Beijing, April 19 (AFP)—More than 100,000 people packed Tiananmen Square here Wednesday night where speakers called out for political reform on the third day of mass mourning for former Communist Party chief Hu Yaobang.

"Look at what has happened in Moscow and Warsaw," said one orator to loud applause from the crowd surrounding the floodlit Monument to the People's Heroes, on which art students earlier hoisted a big portrait of Mr Hu who died Saturday.

"The problem is not whether to press ahead or not. It is to know how far to go," added the speaker, who identified himself as a Beijing University professor.

The remarks about Moscow and Warsaw were an apparent reference to the policy of glasnost, or openness, in the Soviet Union and Poland's Solidarity trade union movement, which was legalized this week.

In a diatribe against corruption among officials, which has been acknowledged by the Communist Party, a second speaker asked: "Who is willing to give up their cars, nice flats and privileges in a socialist country?"

"Nobody," his audience shouted back.

Police were out of sight as more than 100,000 people packed into the huge square under a full moon, witnesses said.

Observers said three days of student unrest had created a situation that would be difficult for the country's leadership to handle.

One poster at Tiananmen Square claimed that a student, identified as Bai Yuming, had been arrested when 2,000 police broke up a pre-dawn sit-in Wednesday by thousands of young people outside Zhongnanhai, the walled compound that houses Communist Party and government headquarters here.

"He must be saved," read the poster, tacked onto a banner from Beijing's broadcasting institute that read: "Hu Yaobang, the democrat."

Students had converged at the front gate of Zhongnanhai, near Tiananmen Square, with wreaths for Mr Hu, demanding to meet Premier Li Peng and other leaders.

The demand was not met and police kept the students at bay. The NEW CHINA NEWS AGENCY reported later Wednesday that Mr Li had a farewell meeting with U.S. Ambassador to China Winston Lord, but gave no details.

In a statement Wednesday, the Communist Party Central Committee announced that Mr Hu's funeral would be held Saturday, exactly one week after his death following a heart attack. He was 74. [passage omitted]

Elsewhere, special security measures were put into effect in the central city of Wuhan, according to one of many Western and East European diplomats who have been closely monitoring developments.

Messages of solidarity from Tianjin, the major port city east of Beijing, were also read out loud to the crowd in Tiananmen Square, witnesses said.

One Western diplomat described the student unrest as spontaneous, although an East European analyst noted that Mr Hu had been hospitalized for one week prior to his death after he suffered a heart attack during a politburo meeting.

Most observers agreed, however, that spontaneous or not, growing student unrest would threaten the cohesion of the Chinese leadership.

#### Further on Gathering

HK1904153789 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1436 GMT 19 Apr 89

[Report by Li Hsiao-chun (2621 1321 6150): "Beijing Students Continue To Mourn the Death of Hu Yaobang on the Tiananmen Square"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO TONGXUN SHE)—From the morning to about 2100 today, students from a dozen Beijing institutions of higher learning marched to the Tiananmen Square to mourn the passing of Hu Yaobang and they placed several dozens of wreaths at the Monument to the People's Heroes. However, the slogans they shouted today, which highlighted such themes as "invigorating the country" and "respecting teachers and education," were different from those they shouted over the past few days.

This morning, apart from young students and staffers from the Mining University, the Institute of Chinese Art, the Museum of History, about 500 Hunanese students from Beijing Teachers' University also gathered in front of the Monument to the People's Heroes to express their grief over Hu Yaobang's passing.

At about 2030, there were thick crowds all over the Tiananmen Square. Some students from Beijing University and Beijing Teachers' University arrived at the Monument to the People's Heroes, holding up a huge streamer which reads "Respect Teachers and Attach Importance to Education in Order to Revive China. Long Live Democracy and Freedom." Subsequently, several hundred students from various departments of the Central Financial and Monetary Institute, Beijing Mechanical Engineering College, Beijing Institute of Posts and Telecommunications, Beijing Engineering Institute, Beijing Aeronautical Engineering Institute formed a circle around the Monument to the People's Heroes. Holding up their wreaths for Hu Yaobang, they shouted the slogans "Unite Ourselves and Revive China" and "The Chinese People Have Great Strength." After that, they walked toward the Monument to the People's Heroes in a slow and orderly way.

Before that, a streamer which reads "Bring Prosperity and Glory to the Country" was already put up on the monument by students from the Central Broadcasting Institute.

Although there were additional armed policemen on duty around the Tiananmen Square, they were just there to direct traffic and maintain order, as they did over the past few days. They even broke a rule by allowing the people to use the land surrounding the Great Hall of the People to park their thousands of bicycles.

#### Students Mourn Death

HK1904122089 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0945 GMT 19 Apr 89

["Feature" by Li Hsiao-chun (2621 1321 6150): "Hunan Cries and the Four Rivers Sing a Dirge—Beijing Students Gather at Tiananmen To Mourn the Death of Hu Yaobang"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO TONGXUN SHE)—This morning, holding banners and streamers high, singing the national anthem, and shouting slogans, 500 students from Beijing Teachers' University, most of whom are natives of Hunan, marched to Tiananmen Square and laid four wreaths at the Monument to the People's Heroes to express the Hunan people's deep grief over the death of this remarkable man in contemporary China.

Since 0900, a continuous stream of people have gone to the Monument to the People's Heroes to lay wreaths or to join the watching crowds there. The wreath presented by postgraduate students at the Mining University of China [zhong guo kuang ye da xue 0022 0948 4349 1129 1331] was placed at the center. A couplet on the wreath, contributed by a group of young intellectuals who refer to themselves as "young members of the ninth category," reads: "His mistakes were not mistakes, the people know that; his contributions did not lead to eventual success, people still miss his heroic spirit." The people were moved by the wreaths laid. Tens of thousands of people gathered around Tiananmen Square and the crowds were thickest around the Monument to the People's Heroes. Many tourists and some traveling parties from Hong Kong and Macao also joined the onlookers there.

Some of the young people who presented wreaths had impassioned looks and some acted clamly. A dozen or so young staffers from the Museum of Chinese Revolution and History [zhongguo ge ming li shi bo wu guan 0022 0948 7245 0730 2980 0670 0590 3670 7419] carried, in a calm and orderly manner, a huge wreath which read: "The people miss Yaobang and the whole country calls for Yaobang."

At about 1100, with the arrival of the students from Beijing Teachers' University, the mass activities in Tiananmen Square reached a climax. These students had set off from the university campus and a crowd of about 50,000 gathered to watch them along the way. The police sent two cars ahead of the parade to direct traffic and prevent confusion. They were led by the flags of Beijing Teachers' University and the CPC flown at half-mast and they held aloft a streamer with the following couplet written on it: "He was uprightness itself and uncorrupted, Hunan cries and the four rivers sing a dirge—deeply mourning the passing of Hu Yaobang." They arrived at Tiananmen Square in an orderly way. Every now and then they sang the "Internationale" to funeral music or shouted the slogans "Long live democracy," "Long live freedom," "Long live teachers," and "Severely punish corrupt officials." In addition, they



also held up a banner with the following words written on it: "It is the duty of every man to glorify and bring prosperity to his country [xing guo yao bang 5281 0948 5069 6721—the last two characters comprise Hu Yaobang's given name].

People are aware that over the past few days the armed policemen and soldiers responsibility for public security have neither stopped them or intervened. They were just there to maintain order. Observers here suggested that it is wise of the CPC to adopt a tolerant attitude toward the students and that the way they are trying to guide the students' feelings is sensible.

#### Students Continue To Mourn

HK1904153189 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1334 GMT 19 Apr 89

[Report: "Beijing Students and Masses Continue To Mourn Hu Yaobang at the Tiananmen Square"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO XINWEN SHE)—College students and residents in Beijing continued to mourn Hu Yaobang at the Tiananmen Square today, the fifth day after his death. At the time this report is filed, the square looks quieter than it was yesterday.

Around 0400 Beijing summer time, the mourning activities came to their climax when several thousands of students and local people gathered at the square, most around the Monument to the People's Heroes. They were listening to speeches by some volunteer speakers and singing the "Internationale." Nobody swarmed to the Great Hall of the People and Xinhua Gate like people did yesterday.

A huge portrait of Hu Yaobang, 3 meters tall and 2 meters wide, presented by the Central Institute of Fine Arts, was placed, facing northward, on the base with relief sculpture of the monument, looking particularly eye-catching among the many wreaths laid there. Some postgraduate-students of the Beijing Broadcast Institute hung up a 4-meter-long elegiac banner carrying four big characters "MIN ZHU YAO BANG" ["Democracy Lights Up the Country"].

More than 20 wreaths were seen lying around the monument. Apart from the wreaths presented by Beijing University of Aeronautics and Astronautics and other universities, the CPC Central Committee's official newspaper RENMIN RIBAO, the Communist Youth League Central Committee's official newspaper ZHONGGUO QINGNIAN BAO, KEJI RIBAO, and other mass media organizations also presented wreaths. A wreath presented by Yuanwang Company, a technology development company, was seen lying among others.

It is reported that some students attempted to storm Xinhua Gate at 0020 today. In this connection the Beijing Municipal Government issued a statement urging people to heighten vigilance and reiterating that any attempts to storm party and government organs are illegal and will not be tolerated. Order in front of Xinhua Gate returned to normal around 0500 Beijing summer time.

Asked by this reporter about the alleged arrest of two students by policemen in front of Xinhua Gate this morning as reported by foreign news agencies, a responsible official of the municipal public security bureau said: The police have not arrested any students since 15 April. The policemen sent to the scene are only instructed to maintain order and to keep traffic under control there.

#### Disturbance Disrupts Mourning

OW1904121889 Beijing Domestic Service  
in Mandarin 0930 GMT 19 Apr 89

[From the "National Hookup" program]

[Text] BEIJING RIBAO reports: For the last few days the people of Beijing Municipality have held various activities in schools and grassroots units to mourn the death of Comrade Hu Yaobang. However, abnormal activities took place in front of the Xinhua Gate last night and this morning. A number of people gathered there and tried to break into [chong ji] Zhongnanhai.

At 2250 last night [1350 GMT 18 April] these people gathered before the Xinhua Gate, shouting. It was a scene of disorder, and the traffic in Chang'an Boulevard was blocked.

At about 2400, disregarding the efforts of the armed police on duty to keep them back, some of the people advanced to the Xinhua Gate, shouting, in an attempt to break into Zhongnanhai. Certain people in the crowd threw soft drink bottles and shoes. According to witnesses, the face of an armed police guard on duty was bruised.

At 0420 a notice from the Beijing Municipal People's Government was announced through loudspeakers at the site, pointing out that it is illegal and impermissible under the law to break into party and government organs, and that such behavior went beyond the normal activities to mourn the death of Comrade Hu Yaobang. The notice asked the crowd to leave the area so as to safeguard normal work and traffic order.

Many onlookers at the scene pointed out: The erroneous acts of trying to break into Zhongnanhai were actually interfering in the mourning for Comrade Hu Yaobang. At present an extremely small number of people are indeed deliberately trying to incite trouble. We must maintain vigilance against this.

They said: We should cherish the present political situation of stability and unity. We should turn grief into strength and mourn Comrade Hu Yaobang with concrete acts, by carrying out the reform and modernization.

At 0500 in the morning people gathered in front of the Xinhua Gate began to leave on the persuasion and advice of the workers and armed police on duty. The traffic in the West Changan Boulevard returned to normal.

#### **Crowd Converges on Zhongnanhai**

HK1904161189 Hong Kong AFP in English  
1605 GMT 19 Apr 89

[Excerpt] Beijing, April 19 (AFP)—Several thousand people, including many students, converged Wednesday at midnight (1500 GMT) on Zhongnanhai, the Communist Party and government headquarters in central Beijing.

The crowd had come on foot or bicycle from nearby Tiananmen Square, where young mourners had earlier hoisted a portrait of former Communist Party chief Hu Yaobang onto a monument, witnesses said.

The throng moved quietly but casually, and there was no immediate sign that they were planning an all-night sit-in. Police cars patrolled the wide boulevard fronting Zhongnanhai, while officers strolled around in small groups.

Shortly before dawn Wednesday some 2,000 police broke up a sit-in by a like number of students at the main gate to Zhongnanhai, a walled park-like compound which adjoins the Forbidden City. [passage omitted]

#### **Further on Student Rally**

HK1904123089 Hong Kong Asia Television  
Limited in English 1200 GMT 19 Apr 89

[Excerpt] Student protests in China triggered by the death of former Communist Party chief Hu Yaobang, have escalated. In Shanghai, thousands of students have staged a rally at a university calling for democracy and attacking the Chinese leadership.

Meanwhile, in Beijing, students have again converged on Tiananmen Square after staging a mass demonstration outside the Party compound. Stuart Pallister reports on the latest protests in the Chinese capital:

[Begin recording] Students marched arm in arm to Tiananmen Square carrying a giant portrait of the former Communist Party chief Hu Yaobang, whose death triggered the pro-democracy demonstrations. The procession was met by other students who had already gathered at the foot of the Monument to the People's Heroes. Some climbed high onto a ledge and draped the monument with banners which described Mr Hu as a fighter for democracy and a friend of youth. The students have repeated their calls for the rehabilitation of

Mr Hu as well as for the disclosure of the bank accounts of senior party leaders and their families. The police have made no attempt to break up the gathering.

Earlier the police put an end to a mass demonstration outside the Party compound, Zhongnanhai. [passage omitted] [end recording]

#### **Students March With Portrait**

HK2004000789 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Apr 89 p 1

[Text] Art students staged a daring tribute to former Communist Party chief Hu Yaobang yesterday, carrying a huge portrait that blotted out the world-famous image of the late Chairman Mao Zedong.

They bore aloft the three-metre square painting on to Tiananmen Square, as mass memorial marches for Mr Hu and protests calling for democratic freedoms continued unabated in Beijing.

Their procession paused in front of the Gate of Heavenly Peace, which has been dominated by a looming portrait of Chairman Mao for four decades, and turned the image of Mr Hu to face crowds in the square.

For several minutes the painting of Mr Hu obscured that of Chairman Mao from the view of the thousands of students and onlookers packed on to the steps of the Monument to the People's Heroes in the centre of the square.

The marchers then carried the portrait to the monument, already festooned with wreaths and eulogies left by a 3,000 strong student march earlier in the day.

Mr Hu's portrait was left to face Chairman Mao's across the vast square.

Some of the students from the Central Academy of Fine Arts were reluctant to say whether their positioning of Mr Hu's image was deliberate. But one said: "You could call it humorous."

They marched in silence to slow funeral music played on tape recorders, unlike demonstrators from the Beijing Teaching University who chanted "Oppose dictatorship" and "Long live democracy" as they crossed the square two hours earlier.

#### **Students Seek Li Peng Meeting**

HK2004000189 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Apr 89 pp 1, 12

[By Seth Faison and Willy Wo-lap Lam in Beijing]

[Text] About 8,000 students and workers demanding more freedom and the rehabilitation of former Communist Party chief Hu Yaobang last night clashed with police at Zhongnanhai, the Beijing compound where China's most senior leaders live.

More than 1,000 police moved in quickly to drive back the crowd which had broken away just before midnight from the huge crowd in Tiananmen Square, which the official China News Service estimated at 100,000.

Calling on the Prime Minister to talk to them, the students chanted "Li Peng come out." Neither he nor any other leader appeared.

They also shouted in unison: "Do not beat people" and "Down with dictatorship."

Ranks of soldiers linked arms to stop the students pushing their way into the compound while police reinforcements sprinted up from behind the demonstrators to force them away.

Police vans with loudspeakers blared orders for them to leave.

Wreaths for Mr Hu, who has become a symbol of student demands for more political freedom since his death last Saturday, flew in the air as students grappled with soldiers and policemen.

The demonstrators cheered as a corps of several hundred undergraduates made determined efforts to push their way into the compound. They came within a few feet of success before being pushed away.

The students were pushed back 300 metres from the gates, where they chanted "Police, get down on your knees."

A small protest at Zhongnanhai the previous night was allowed to continue for five hours before being broken up just before dawn yesterday.

Traffic on Changan (Eternal Peace) Avenue, Beijing's main thoroughfare, was brought to a standstill last night as hundreds of residents on bicycles stopped to watch the protest.

Demonstrators jeered as police filmed them before moving in.

They said they would press their demands, which ranged from the right to demonstrate to freedom of speech, despite warnings on state radio and television that such demonstrations were illegal.

Early this morning, Hong Kong's EXPRESS Chinese-language newspaper said it was concerned about the whereabouts of its photographer, Mr Ho Chak, covering the demonstration.

He was allegedly last seen in police hands near the compound.

Throughout yesterday, the fifth straight day of protests in the capital, student leaders made speeches calling for democracy and the clearing of Mr Hu's name, as representatives from more than 10 colleges put wreaths on the Monument to the Revolutionary Heroes.

One student leader, Wang Dan of Beijing University, said the students would stage further action every day until Saturday, when the Government will hold a funeral for Mr Hu in the Great Hall of the People.

For the first time since calls for greater freedom began in the wake of the death of Mr Hu last Saturday, the students were getting support from workers.

Police maintained a low profile and made no attempts to interfere with the activities of the crowd.

Among the dozen-odd speech-makers in the afternoon were four workers from factories in the capital.

"Workers have always been at the forefront of movements to reform the country," said a young worker in the capital.

"Workers and students should work together for the introduction of a more democratic and less corrupt system," he said to the cheers of the crowd, which the official China News Service estimated at "over 100,000."

Another worker recalled how, in January 1984, workers in his factory in Beijing had written a letter to Mr Hu complaining about the working conditions in the factory.

"Within 48 hours, the General Secretary told us that working conditions will be improved," he continued.

"Nowadays, you can't trust the bureaucrats to investigate the grievances of the people. We must try to reform the system."

The thrust of the students' speeches was that they must keep the momentum of the student movement going.

Analysts say that after three days of intense politicking, the students still had not put together an organisation. Representatives from different colleges acted without co-ordination.

"The authorities have broken the back of the student organisation in our college," said a representative from Beijing University, the centre of student activism this year.

"We must form a capital-wide, even a national, organisation," he added.

Yesterday's speeches were aimed at rousing the passions of on-lookers through pin-pointing the failings of the rule of Chinese Communist Party (CCP).



"The CCP has said that it has practised democracy and socialism for 40 years," said a representative from Qinghua University.

"There are supposedly no capitalists in this country, yet the lifestyle of leaders is more luxurious than big capitalists in Western countries."

One student speaker shouted, "Let Tzu Hsi retire", a reference to China's 19th century Empress Dowager who continued to exercise autocratic rule even though in name she had retired.

Students said this was a call for senior leader Deng Xiaoping, 84, to give up his continued hold on power from behind the scenes.

The Government spends money on expensive Japanese and German cars but little on education, said another.

"China is like a naked man wearing a necktie," he said.

The participation of workers may spur the authorities to use hardball tactics.

According to analysts, what party leaders feared most is that workers may join students in demanding concessions from the Government.

During the student demonstrations in December 1986, the party decided to use force against the students when it had become apparent that workers were beginning to take part.

"The authorities are prepared to wait until Friday before they take action," said a political analyst.

So far, the police have shown restraint.

A big-character poster at the Monument to the Revolutionary Heroes claimed that 100 students were arrested early yesterday morning when policemen were called in to break up the overnight sit-in outside Zhongnanhai.

No arrests could be independently confirmed and a report issued by the official China News Service denied anyone had been arrested.

Beginning after midnight yesterday, thousands of students had tried to force their way into the compound by repeatedly charging a dozen guards who locked arms to form a human wall across Xinhuaamen, the southern gate.

After nearly five hours of hostile but essentially non-violent confrontation, the students were dispersed by more than 800 police, who were seen apprehending at least two students.

"This demonstration is disrupting the work of leadership," said one of the policemen as students and journalists were forced away from the compound.

Three students who were allowed into the enclave were not seen coming out. It was not known whether they were arrested.

The NEW CHINA NEWS AGENCY reported that one of the door guards had his cheek "grazed" by students who threw shoes, bottles and other debris at them.

Students were also reported to have been active in Shanghai, Tianjin, Wuhan and Xian yesterday.

In Shanghai, about 3,000 students gathered peacefully at the gates of prestigious Fudan University, briefly holding up traffic, before abandoning plans to march to the city-centre.

"Our country needs human rights," a student who gave his name only as Yan said. "We are afraid to speak our minds."

Students spoke in private about their dissatisfaction with the slow pace of China's reforms.

Official broadcasts over a public address system repeatedly asked students not to use the death of the widely respected leader as a reason to take to the streets.

"We too grieve over the loss of comrade Hu," said a university official in an address to students.

"But this kind of march through the streets would violate city regulations."

### Police Break Up Demonstration

HK2004000589 Hong Kong Domestic Service  
in English 2310 GMT 19 Apr 89

[From the "Hong Kong Today" Program; BBC Correspondent in Beijing James Miles interviewed by Anchorman Nick Bailey on Zhongnanhai demonstrations]

[Text] [Bailey] Huge squads of police have ended another big demonstration outside Communist Party headquarters in Peking after a failed attempt by thousands of students to break into the compound. With us on the line yet again is James Miles, BBC correspondent in Peking. James, what is the situation now?

[Miles] Well the situation is that just before dawn a huge number of police, possibly several thousand, moved in to scatter the students who had remained after the earlier police action during the night outside the Communist Party headquarters. It now appears quiet in the area, but the area is still being patrolled by a large number of police. And now we are also getting reports from students that violence was used by the police during the night, they say that several of their colleagues were beaten or kicked or threatened with electric cattle prods. They also said that several dozen students had been seen

taken away behind police lines, it's not clear whether any formal arrests were made, and so far there has been no comment from the authorities on this.

[Bailey] This seems to be very much a reenactment of what happened yesterday, but on a much larger scale, in other words you had a gathering at Tiananmen Square and then the students moving on to the Communist Party headquarters. We've had reports here of anything from 40,000 to 100,000 gathering outside Tiananmen Square, do you have an accurate picture yourself?

[Miles] It's very difficult to put a precise number on the number of people who gathered in Tiananmen Square yesterday, tens of thousands is probably the best we can say, certainly it was the largest turnout for a pro-democracy rally during the latest wave of student unrest triggered by the death of the party leader Hu Yaobang, and also the largest spontaneous rally in Tiananmen Square probably since the end of the Cultural Revolution. It was quite an electric atmosphere yesterday as thousands of students thronged forward to the Monument to the People's Heroes putting up wreaths, putting up banners; one of them made a speech calling for more democracy, and tens of thousands of people around him started a chant of "Long live democracy, long live democracy."

[Bailey] So the tens of thousands that you are talking about, obviously they are not all students, are they actually supporting the students or are a lot of them just onlookers?

[Miles] Well it's difficult to gauge, I think a large number of them are simply onlookers, there are always hundreds if not thousands of people out on Tiananmen Square strolling around, a lot of tourists, and I think a lot of them have come really just to see what's going on. If you talk to people who are not students, they do express a degree of sympathy, but appeared to be keeping their distance generally from the student action. I think there is no evidence so far of any great degree of involvement by non-student sectors of society, even though I think some of them sympathize with the students' demands, they themselves have a lot of other grievances, economic grievances, particularly over rampant inflation and widespread corruption.

[Bailey] Once they moved on to the Communist Party headquarters, from what I understand the headquarters are guarded by troops, aren't they?

[Miles] Yes that's right, they are normally guarded just by two soldiers. The guards do seem to have been increased as a result of the student action, and yesterday as hundreds of students marched past, coming from Tiananmen Square nearby, a few dozen soldiers trotted out of the Imperial Gateway to the compound and lined up in order to prevent the students getting in. But so far there has been no involvement of soldiers themselves in

the clearing up operations, that's been left to the police and possibly also to the people's armed police, a paramilitary unit, even though it seems they have not been carrying weapons.

[Bailey] James Miles in Peking, thank you very much for keeping us up to date with the latest situation there.

#### Directive to Mourners Published

HK2004092089 Hong Kong AFP in English  
0905 GMT 20 Apr 89

[By Sylvie Monier]

[Text] Beijing, April 20 (AFP)—The Beijing municipal authorities warned Thursday they would prosecute troublemakers if mass mourning for former Communist Party general secretary Hu Yaobang got out of hand.

"It is absolutely not allowed to exploit mourning activities to engage in trouble-making and sabotage," said a directive by the Beijing Municipal Government, published in the BEIJING DAILY newspaper.

"Those who break the law by engaging in beating, smashing, looting and attacking should be punished in accordance with the law," it said.

Mourning activities, it added, should be well-organized, orderly and carried out within each individual's workplace.

The directive was published as thousands of people, many of them students, returned Thursday to Tiananmen Square to pay homage to Mr Hu for a fourth consecutive day.

Their numbers dwindled to a few hundred in the afternoon as this arid capital got its first heavy rain in months.

Earlier Thursday, police broke up a sit-in outside Zhongnanhai, the walled compound near Tiananmen Square that houses Communist Party and government headquarters, the second such incident in less than 24 hours.

Police had earlier taken more than an hour to control the crowd trying to enter the well-guarded seat of power to discuss the fate of about 100 students who they said had been detained in a similar incident the previous night.

Correspondents present at the Wednesday morning incident said they had witnessed no arrests.

Police on Thursday morning arrived quickly and were more numerous than the previous morning, when 2,000 were deployed to break up the crowd.

Saturday's announcement of Mr Hu's death prompted campus unrest which has since spilled over into Beijing's population in general.

Mr Hu, a staunch advocate of political and economic reforms, was forced to resign as Communist Party general secretary in January 1987 after he was blamed for a nationwide wave of pro-democracy demonstrations by students.

This week's gatherings have also seen students call for more democracy, as well as an end to corruption among officials and a reappraisal of Mr Hu's career.

State-run radio Thursday began its newscasts with a NEW CHINA NEWS AGENCY report on the Zhongnanhai incident, accusing demonstrators of fomenting trouble and trying to upset "stability and unity" in the capital.

"A few people took advantage (of the situation) to create trouble, making demagogic speeches and chanting anti-government slogans," the news agency said, acknowledging for the first time the growing political tone of the mass mourning.

The agency also said that four Chinese guards outside Zhongnanhai were hurt by bricks and bottles thrown at them as they asked the students to leave.

Students have repeatedly been gathering near the Monument to the People's Heroes in Tiananmen Square since Sunday to express their support for Mr Hu in defiance of a ban on public gatherings.

Western diplomats here said they expected such scenes to continue at least until Mr Hu's funeral on Saturday, and perhaps until May 4, the 70th anniversary of a student movement that saw Chinese intellectuals embrace modern politics.

#### 10,000 Demonstrate Again 20 Apr

OW2004085389 Tokyo KYODO in English  
0724 GMT 20 Apr 89

[Text] Beijing, April 20 KYODO—An estimated 10,000 students and other Chinese gathered at Tiananmen Square here again on Thursday as China's press launched an attack on demonstrators it accused of fomenting disorder under the pretext of mourning Hu Yaobang, the late head of the Chinese Communist Party who died last Saturday.

The demonstrators gathered within hours after police lifted a blockade imposed around Tiananmen Square Wednesday night after three consecutive nights of big demonstrations in the area.

The government originally reacted to the demonstrations as a spontaneous expression of public grief over the death of Hu.

But the potential for confrontation escalated with the growing visibility of large numbers of students, who on Tuesday and Wednesday nights led marches from Tiananmen Square to Zhongnanhai, the walled compound located nearby where all of China's top leaders live and work.

Late Wednesday night police reacted by sealing off Tiananmen Square, where in 1976 under similar circumstances student pro-democracy riots broke out after authorities removed floral wreaths placed before the monument to the People's Heroes in honor of former Chinese Premier Zhou Enlai, who had just died.

This time, on Thursday morning when police withdrew their barricades from the area, flower wreaths for Hu had not been removed, but wall posters and banners calling for freedom and democracy had been.

Meanwhile the government-controlled press launched an attack on demonstrators who it accused of fomenting disorder under the pretext of mourning Hu.

China's official XINHUA NEWS AGENCY carried a report, published by many dailies, which said the Communist Party's Beijing Municipal Office issued a notice on Wednesday claiming that among the mourners were people with other motives.

The notice said the students' demand for democracy had nothing to do with memorial activities for Hu.

CHINA YOUTH NEWS, the paper of the Communist Party Youth league, carried a XINHUA photograph of the march to Zhongnanhai, criticizing it as an "abnormal condition."

#### Thousands Gather in Square

HK2004073489 Hong Kong AFP in English  
0726 GMT 20 Apr 89

[Text] Beijing, April 20 (AFP)—The Beijing municipal authorities warned Thursday that people indulging in violence would face severe penalties, as thousands gathered on Tiananmen Square for the fourth straight day.

Students bearing wreaths commemorating former Communist Party chief Hu Yaobang, who died Saturday, were headed for the huge square hours after police broke up a sit-in outside the nearby Communist Party and government headquarters.

The BEIJING DAILY published a directive from the municipal authorities Thursday warning of severe sanctions against those found guilty of "destruction, looting, arson or attacks."



Police moved against demonstrators for the second time in 24 hours in the early hours of Thursday morning as thousands of students and workers tried to force their way into the Zhongnanhai compound housing party and government offices.

Thousands of people were again gathered in Tiananmen Thursday, witnesses said.

The national radio station said in its daily news programme that the protesters at Zhongnanhai "wanted to stir up trouble" and were "seeking to disrupt the stability and unity of the Chinese capital."

The official NEW CHINA NEWS AGENCY said that a few people took advantage of an attempt by 300 students to break into the compound "to create trouble, making demagogic speeches and chanting anti-government slogans."

Students have staged mass protests in Tiananmen this week in commemoration of Hu Yaobang, a pro-reformist forced to step down as Communist Party secretary general in January 1987 in the wake of widespread student unrest calling for more democracy.

This week's protests have echoed these calls, also criticising corruption in the leadership and calling for a reappraisal of Mr Hu's career.

#### Shanghai Students Demonstrate

HK2004034889 Hong Kong WEN WEI PO in Chinese  
20 Apr 89 p 2

["Dispatch" by staff reporter: "Several hundred students in Shanghai hold a parade to mourn the death of Hu Yaobang"]

[Text] Shanghai, in the small hours of 20 Apr (WEN WEI PO)—After a quiet day had elapsed, several hundred students from universities and colleges in Shanghai left their campuses and paraded to the entrance of the Municipal Government to mourn for the late Hu Yaobang, former General Secretary of the CPC. The onlookers who followed them amounted to several thousand people, thus obstructing traffic for a time.

Later, the authorities sent out the police to disperse the crowd. However, the attitude of the army and police was gentle, and there was no clash with students or onlookers.

#### Beijing Reports on Student Unrest 20 Apr

OW2004074089 Beijing Domestic Service  
in Mandarin 0500 GMT 20 Apr 89

[Text] According to a XINHUA report, nearly 300 students gathered again in front of the Xinhua Gate from last night to this morning and tried to break into Zhongnanhai. Onlookers and people of unknown identity (shen

fen bu ming di ren) outnumbered the students. Some made demagogic speeches, others chanted reactionary slogans, and still others threw bricks and bottles at law enforcing police.

According to a briefing by a comrade of the Beijing Municipal Public Security Bureau, four policemen were injured by bricks and bottles thrown from the crowd.

Yesterday some people stirred up trouble at Tiananmen Square under the pretext of mourning Comrade Hu Yaobang. They laughed, jeered, and shouted loudly, showing no grief at all. Contrary to what they claimed to be doing, some climbed up the fence and base of the monument, and left graffiti on the white marble sculpture of the Han Dynasty. Some made demagogic speeches. Wreaths in mourning of Comrade Hu Yaobang were trampled to the ground.

Some onlookers said: These people are not mourning for Hu Yaobang, but taking advantage of the opportunity to create trouble.

At 2100 many people swarmed into and sat silently in front of the Xinhua Gate. At that time, onlookers and people of unknown identity outnumbered the students, reaching a peak of 4,000 at one time and partly paralyzing the traffic. They repeatedly attempted to break into Zhongnanhai but were stopped by the guards. While some students sat silently, others made speeches and shouted slogans. Some even chanted reactionary slogans calling for overthrowing the CPC.

At 0140 this early morning, a few night shift workers passed by the Xinhua Gate. They asked the sitters-in: What benefit on earth can you get by spreading disturbances? You are not mourning; you are creating incidents.

After 0345 a public notice of the Beijing Municipal People's Government was broadcast at the scene. The public notice pointed out: A small number of people with ulterior motives dashed into the Xinhua Gate and injured the people's policemen who were there to maintain order. This is a serious law violation. We hope that onlookers will heighten their vigilance, safeguard the whole situation of stability and unity, and leave the scene. In addition, we warn the small number of people who deliberately created incidents: If you continue acting willfully, you will have to take all the consequences.

Hearing the public notice and persuaded by the police, some people left the scene. Some remaining students asked whether they should withdraw or not. Some sowed seeds of discord by saying: No. We are the pillars of society. We must persist to the end. When some students stood up in an attempt to leave, people nearby said in a threatening tone: Whoever leaves is a traitor. After vigorous efforts by public security personnel and armed policemen advising them to leave, the people left one after another.

At about 0500 this morning, public order in front of the Xinhua Gate returned to normal.

### **Hong Kong Reporter Beaten**

HK2004031489 Hong Kong MING PAO in Chinese  
20 Apr 89 p 2

[“Special dispatch” from Beijing: “Hong Kong Reporter Beaten by Public Security Personnel for Taking Photos of Actions of Armed Police in Zhongnanhai”—times as published]

[Text] At 0200 Hong Kong time, a reporter of “FAI PAO [EXPRESS NEWS]” was surrounded by a group of people in police uniform at a roadside. He was beaten by the public security personnel, and detained for 3 hours in front of the Xinhua Gate. He was ordered to write a statement of repentance, and was told not to take photos of the same kind because it violated public security laws and regulations. After that, he was released, and returned to his hotel. His injuries were not serious. This incident happened at 0020. At that time, a large number of armed police took action in front of the Xinhua Gate of Zhongnanhai to disperse students, and the situation was at one time chaotic. When the above-mentioned reporter from FAI PAO was taking photos of the actions taken by the armed police, he was beaten up. Early this morning, FAI PAO called the Hong Kong branch of the XINHUA news agency for help.

### **Magazine Editor Presents Wreath**

HK2004011989 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1407 GMT 19 Apr 89

[“Ge Yang, chief editor of XINGUANGCHA Magazine, Lays Wreath in Tiananmen Square”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO TONGXUN SHE)—The Monument to the People's Heroes in the center of Tiananmen Square has now become the center for young students mourning the death of Hu Yaobang.

At 1510 in the afternoon, Ge Yang, 72, chief editor of XINGUANGCHA, carried an exquisite wreath and led her colleagues to the square. She was serious and emotional when laying the two wreaths presented by XINGUANGCHA and SHIJIE JINGJI DAOBAO at the monument. People there asked her to make a speech, but Ge Yang only uttered a remark: “Comrade Yaobang was a great Marxist.” Then, she bowed three times and left the square with her colleagues.

Ge Yang said: “We used our wreath to give expression to our grief.”

### **Correspondent on Demonstrations**

HK2004002789 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Apr 89 p 23

[Beijing Correspondent Seth Faison's “eyewitness account of this week's demonstrations in Tiananmen Square”]

[Text] At dawn on Tuesday, 1,000 Beijing University students were gathered in Tiananmen Square, the broad, open expanse that is the symbolic heart of China.

Having marched for most of the night from their campus some 20 kilometers away in the northwest corner of the city, some were getting tired.

The crowning moment of the long night had just come, when three students climbed part way up the obelisk-shaped monument in the centre of the square to victoriously hang a banner and an array of the multi-coloured wreaths dedicated to dead Chinese leader Hu Yaobang.

The long, white banner now flapped in the light, early morning breeze like a defiant challenge to the government whose headquarters in the Great Hall of the People lay just across the street, facing the square.

But as the excitement gradually died down, and daylight broke over the square, only a small portion of the students began the retreat to the campus.

Instead, most stayed, and they quickly got down to business.

Sitting together in a circle near the centre of the square, the students vigorously discussed a list of demands that they would later present to government authorities.

One stood at the centre of the circle, reading out proposed demands.

“Complete freedom of the press, with independent newspapers,” he read, to enthusiastic response.

“Open accounting of personal finances for all leaders,” he continued a moment later, to more cheering.

“And for their sons and daughters!” yelled one of the seated students, again to shouts of approval.

After more than an hour, the students agreed on seven demands, including an official reevaluation of Mr Hu's work, a significant budget increase for education, and accurate reporting of their own demonstration in the country's state-controlled press.

The student demonstrations that erupted this week seemed to come out of nowhere, but they have showed a resolve and an intensity seen rarely during the last decade of reform.

In recent weeks, there were signs of minor springtime restiveness at Beijing University, but the overall mood was marked more by pessimism than hope for any political change.

Students have been disappointed that, as real elections were being held in Moscow, China's leaders were making it clear whenever they were asked that plans for any structural change would be resisted for the foreseeable future.

Then came the sudden death of Hu Yaobang, the former Communist Party leader who was respected by students as one of the most liberal reformers in China.

Mr Hu, Deng Xiaoping's heir apparent, had been forced to resign two years ago after students pressing for democracy had taken to the streets in numbers that made the nation's military uncomfortable.

His sacking had further discouraged students, who saw that Mr Deng's promise for an orderly transition of power when he retired was little more than another unfulfilled Communist dream.

At the time of his death, following a heart attack in the middle of a Politburo meeting, Mr Hu had no portfolio and did not appear to be involved in decision-making in any significant way.

But students, keen to express what they feel is wrong with their government, saw his passing as a timely if unfortunate opportunity to start demonstrating. They knew the authorities would find it hard to prevent them from commemorating the death of a former Communist party leader.

In this way, their protests mimicked the Tiananmen Incident in 1976 when hundreds of thousands convened, ostensibly to mourn the loss of Premier Zhou Enlai, but really to show their opposition to the government then led by Mao Zedong, his wife, and three infamous associates.

On both occasions, each wreath placed at the monument in the middle of the square stood as a symbol of defiance and opposition and participants seem brazenly unafraid of the consequences of their aggressive action.

In the early hours of Wednesday morning, students who had been gathering in the square most of Tuesday marched on Zhongnanhai, the enclave where Communist Party leaders live and work, whose main entrance is located only a few hundred yards from Tiananmen.

Advancing right up to the open gate, guarded by bayonet-toting soldiers, the students began a sit-in that they said would last until Prime Minister Li Peng himself came out to meet them.

Not since the Cultural Revolution had marching students shown such bold disrespect for the authority of their leaders, and the soldiers removed their guns and locked arms to form a human wall to seal the entrance.

More and more students massed around the gate, blocking Beijing's main avenue completely, and their collective temperature rose as the guards rebuffed their attempts to deliver large wreaths that had been carried from the square.

Before long, students were surging at the gate, trying to force their way into the Communist headquarters.

The straight-faced soldiers, stationed 10-across and about five layers deep, resisted the assaults without fighting back.

Police stationed on the street, and plain-clothesmen all through the crowd, made no move to restrain the students, apparently fearing that intervention would exacerbate the already fired-up students.

Students rushed the gate three or four times and were rebuffed each time, before their energy began to wane around 4 am, and the crowd thinned to a hard core of several hundred at the gate, with hundreds more watching.

The police decided it was time to move in. Nearly 1,000 uniformed officers approached the gate, the mere sight of which sent most of the now weary students in retreat.

The police pushed the remaining students and watching foreign reporters back toward Tiananmen Square, but were careful not to strike anyone. The crowd dispersed completely.

By dawn, the area around the gate had been washed clean, without a sign of the confrontation that had transpired over-night.

To the fresh guards standing at attention, even trying to imagine such a scene would have been a bad dream. But if the students mood persists it is a nightmare that could come back at anytime.

## 2d Attempt To Storm Zhongnanhai

[By correspondent Jing Hua]  
OW1904234989 Beijing XINHUA in English 2330 GMT  
19 Apr 89

[Text] Beijing, April 20 (XINHUA)—Nearly 300 students and others Wednesday night tried to break into Zhongnanhai, headquarters of the Chinese Communist Party and Government, and were stopped by the guards.

As the guards tried to persuade the students and others to leave the spot, bricks and bottles were thrown, injuring four security men in the eye, mouth, arm, and chest.



Earlier in the day, thousands of people swarmed into the Tiananmen Square to mourn for former Communist Party leader Hu Yaobang who died of a heart attack last Saturday.

A few people took the advantage to create trouble, making demagogic speeches and chanting anti-government slogans. Some smirched with ink the white marble bas in relief at the foot of the Monument to People's Heroes.

Onlookers told reporters that these people were making trouble and disrupting the stability and unity in the Chinese capital.

At around 21:00, a number of people gathered in front of the Xinhua Gate, an entrance to Zhongnanhai, and made demagogic speeches, drawing several hundred onlookers. Despite advice of the guards, they refused to leave the spot.

A notice of the Beijing Municipal People's Government was read out through loudspeakers at 03:30 Thursday. It said that attempts to break into the Xinhua Gate were grave acts in violation of the law, and warned the handful of trouble-makers to leave the spot immediately.

Later, these people began to disperse. At about 05:00 today, order resumed in front of the Xinhua Gate.

#### Students Advised To Observe Law

OW1904130989 Beijing XINHUA in English  
1222 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—A Qinghua University professor today advised students not to behave badly when mourning the death of former party leader Hu Yaobang.

Chen Zhongyi, a member of the Beijing Committee of the Chinese People's Political Consultative Conference (CPPCC), was speaking today at a press conference held by the current session of the CPPCC Beijing Committee.

Professor Chen said: "Hu's death caused great shock among teachers and students. Hu was a great revolutionary and politician who had made a great contribution to China's reform."

A former general secretary of the Chinese Communist Party, Hu Yaobang died of heart attack last Saturday at the age of 73.

Professor Chen said that since the downfall of the "gang of four", Hu had shown great daring and resolution in redressing the injustices to people who had been wrongly punished. He cared for the interests of intellectuals, and all intellectuals respected him and loved him.

"We can understand students' feelings in mourning Hu Yaobang," the professor said, "and it is normal and democratic for the students to air their views and ideas out of concern for state affairs and social problems.

"However, as a teacher myself, I hope that they do not exceed the bounds of permissible behaviour. They should observe the law and social order in the process of mourning."

#### National, International Reaction to Hu's Demise

##### Chongqing City Laments Demise

HK2004040889 Chengdu Sichuan Provincial  
Service in Mandarin 2200 GMT 19 Apr 89

[Text] People of all circles in Chongqing City are deeply lamenting the death of Hu Yaobang, a great proletarian revolutionary and statesman.

Since 16 April the people of this mountain city have been filled with profound grief. Numerous workers, students, cadres, and peasants have said that they cannot dismiss the outstanding achievements of Hu Yaobang from their minds, and were shocked by the news of his death.

Speaking about Hu Yaobang, some workers of the Chongqing Iron and Steel Co. and some cadres of the Chongqing City party committee said they deeply cherish his memory. They pointed out: The achievements of Hu Yaobang are great and the evaluation made by the central authorities on him is well measured.

For the past few days teachers and students of 25 universities and colleges, including the Southwest China Teachers' University and the Chongqing Architectural Engineering Institute, have gathered together spontaneously on campus to mourn the death of Hu Yaobang. They said: Comrade Hu Yaobang understood intellectuals to the utmost, cared for us, respected knowledge, and treasured talented people.

Peasants in Jiangjin, Yongchuan, Rongchang, and Nanchuan Counties expressed their deep love for Hu Yaobang when they talked about his past, pointing out: Hu Yaobang made marvelous contributions to the rural reforms in China.

##### Shaanxi Capital Mourns Death

HK2004034689 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 19 Apr 89

[Text] For the last few days people from all walks of life in the ancient city of Xian have expressed in various forms their profound condolences on the passing away of Hu Yaobang, a great proletarian revolutionary and statesman.

His death was a great shock to many people and has filled them with deep sorrow. A provincial government organization cadre said: Just a month ago we watched

Comrade Yaobang on television attending the Second Session of the Seventh National People's Congress. When I heard the sad news, I could hardly believe my ears and his death came too early.

On the evening of 15 April parents of many families advised their children not to watch cartoons on television but to watch a televised newsreel—Hu Yaobang on the Road of the Long March—in an attempt to bring back the memory of the deceased.

A cadre from Ankang in Xian on a business trip told this reporter: Hu Yaobang, traveling in a simple manner, went deep into mountain valleys and visited peasant families and he was very affable and close to the people when inspecting Ankang in 1962. After carrying out inspection in the mountain areas, he put forth some principles for development in line with actual local conditions, thus leaving a deep impression on cadres and the masses in the mountain areas. Many years later people still remember his fine work style. The death of Hu Yaobang is really a great loss to the party and the state.

A resident correspondent of a national paper in Xian noted: Hu Yaobang traveled to almost all provinces and regions of the country when he was general secretary of the CPC Central Committee. Such a spirit of going into the midst of the common people and going deep into the realities of life is really admired by us all.

Many comrades attending the Second Session of the Eighth Xian City Chinese People's Political Consultative Conference Committee have spoken highly of Comrade Yaobang for his courage and wisdom in correcting past errors and reversing unjust verdicts and mishandled cases. A United Front Work Department head of the Xian City party committee pointed out: Comrade Yaobang dared to speak and act, handled affairs in a decisive manner, was strict with himself, and made himself an example for others. He enjoyed prestige among the people of the whole country. We, the people of Shaanxi, cherish a deeper affection for him.

Since 18 April many young students and Communist Youth League members have initiated mourning activities one after another, giving expression to their grief by presenting wreaths, bunches of white flowers, elegiac couplets, and poems for the sudden death of Hu Yaobang. A college student pointed out: Hu Yaobang created an atmosphere of democracy and respected intellectuals. He himself was a man of great erudition and his whole life is a good model for the younger generation of intellectuals.

#### Hoang Van Hoan Mourns Hu

BK2004084189 Beijing International Service  
in Vietnamese 1400 GMT 19 Apr 89

[Text] Comrade Hu Yaobang, Political Bureau member and former general secretary of the CCP Central Committee, passed away on 15 April. On 18 April Comrade

Hoang Van Hoan sent a message to the CCP Central Committee expressing profound sorrow over the death of Comrade Hu Yaobang. The message reads:

Upon learning that Comrade Hu Yaobang, member of the CCP Central Committee Political Bureau, had passed away, I would like to convey my profound condolence to the CCP Central Committee, the people of China, and the bereaved family.

Comrade Hu Yaobang was a great proletarian revolutionary and statesman of China. He had made magnificent contributions to the revolutionary undertaking and national construction of the Chinese people. His death is a great loss for the Communist Party and people of China. However, his highly meritorious services will be engraved deeply in the hearts of the Chinese people forever.

#### Others Also Mourn Hu

OW1904141989 Beijing XINHUA in English  
1155 GMT 19 Apr 89

[Text] Beijing, April 18 (XINHUA)—Yugoslavia's League of Communists and Tanzania's Revolutionary Party and former Vietnamese leader Hoang Van Hoan have sent messages of condolence expressing their sorrow over the death of Chinese Communist Party (CPC) leader Hu Yaobang.

Stipe Suvar, president of the Presidency of the Central Committee of the League of Communists of Yugoslavia, said in his message that Hu's contribution in promoting relations between the two parties and two countries will "always be remembered."

While speaking highly of Hu's contributions to the Chinese revolution and construction, Rashidi Kawawa, secretary-general of the Revolutionary Party of Tanzania, said early death of Hu is not only a loss to the CPC and China but also a loss to his party and the Tanzanian people, "because he had made unselfish and unremitting efforts in developing relations between the two countries and the two parties."

In his condolence message, Hoang Van Hoan, a former Vietnamese party leader, praised Hu's achievements in his life time and called Hu a great proletarian revolutionary and statesman of China. Hu, who died of heart attack Saturday, was a member of the CPC Political Bureau and the party's former general secretary.

#### Family Declines Condolence Visits

HK2004034789 Hong Kong WEN WEI PO in Chinese  
20 Apr 89 p 1

[Dispatch by the group of staff reporters: "Today, Hu's Family Declines With Thanks the Visits Paid by Those Who Come To Offer Their Condolences"]

[Text] Beijing, 19 Apr (WEN WEI PO)—For the past few days, a continuous stream of people of various circles in the capital have gone to the home of Hu Yaobang to mourn for the dead. The bereaved members of Hu's family extended their heartfelt thanks.

On account of the very great spiritual and physical exhaustion over the past few days, together with a bad state of mind and the forthcoming official memorial meeting, the members of Hu's family declared that today would be the last day to receive the masses who came to their home to mourn for the dead and that they would decline their kind visits with thanks tomorrow.

According to the entrance guard of Hu Yaobang's home, by noon today, over 5,000 citizens had come here to mourn for the dead.

#### Foreign Leaders Send Messages

OW1904182389 Beijing XINHUA in English  
1333 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—The Chinese leadership continues to receive messages from foreign leaders condoling the death of Hu Yaobang, former general secretary of the Communist Party of China (CPC).

In separate messages to their Chinese counterpart, Li Peng, Pakistani Prime Minister Benazir Bhutto and Tunisian Premier Hedi Baccouche Tuesday expressed their "deep condolences" on Hu's death and asked the Chinese leader to convey their heartfelt sympathies to the bereaved family.

Meanwhile, in a message to Zhao Ziyang, who succeeded Hu as the CPC general secretary in 1987, Australian Prime Minister Robert Hawke spoke highly of Hu's contribution to the strengthened ties between Australia and China. "The Australians will always keep in mind Mr. Hu's personal efforts" to develop the bilateral relations, he said.

Zambian President Kenneth David Kaunda also cabled his condolences on Hu's death to Zhao, saying Hu's virtues had deeply impressed all those Zambian leaders who met him.

Turkish President Kenan Evren said in his message to Chinese President Yang Shangkun that he was deeply grieved to learn the death of Hu, whom he met during his 1982 China visit.

Hu died of heart attack at 73 on Saturday. A memorial meeting will be held later in the Great Hall of People in downtown Beijing.

#### Burma's Saw Maung Condoles Death

BK1904131689 Beijing International Service  
in Burmese 1130 GMT 19 Apr 88

[Text] General Saw Maung, chairman of the State Law and Order Restoration Council of Burma, has sent a message of condolences for death of Comrade Hu Yaobang to Li Peng, premier of the PRC State Council, yesterday.

The message states: I had an opportunity to meet Mr Hu Yaobang during a visit to China with former president, U San Yu. I believe Hu Yaobang was a person with a very good disposition. During our meeting he was very admirable in his frank assessment of China-Burma relations and I would like to express my gratitude for this.

The message adds that in Mr Hu Yaobang's death China loses a wise politician and Burma loses a great friend.

#### Anecdotes About Hu Yaobang Published

HK2004060189 Beijing XINHUA Hong Kong Service  
in Chinese 0830 GMT 19 Apr 89

[Report: "A Few Things About Hu Yaobang During His Lifetime"—XINHUA headline]

[Text] Beijing, 19 Apr (XINHUA)—ZHONGGUO QINGNIAN BAO today carries a long article in memory of Hu Yaobang. Written by Zhang Liqun, former editor in chief of the newspaper and entitled "Leader, Good Teacher, Friend," the article recollects several touching events about Hu Yaobang during his lifetime.

#### "It Is Not the Young People's Fault if They Are Weary of Studies"

On 26 March 1989, Hu Yaobang had a heart-to-heart talk with several retired cadres including Zhang Liqun in an 18-square-meter drawing room in his home. Hu said: "I am reading 'Zhou Enlai's Biography.' The premier said whoever controls the youth controls the future." Holding his left hand and spreading his right palm, he excitedly said: "We must persist in adopting a correct approach toward the youth. Young people are in the process of growing up. They are growing up in a dynamic state, full of sap and eager to act by nature!" While saying this, he held up two fists to simulate two ox horns charging left and right. He said: "You see, young people and children always strike a fighting posture and courageously press forward as soon as they come to the fore! Old people, however, lie down by spreading their hands and stretching their legs!" His humorous words showed the pure heart of a new-born babe—utter innocence.

Then, his lively face immediately turned serious. He said: "Of the 220 million illiterates, there are many young people. Instead of going to school to learn to read, some children set up stalls to do business. The secretary accompanying me to Shandong told me that, when asking a 13-year-old primary pupil why he did not go to school, the boy gave a clear-cut reply, saying: I earn more money from this business than do teachers."

At this, Hu Yaobang became more serious. "Instead of acquiring knowledge people only want to make money and instead of learning to read people only love banknotes. Where does this idea come from? Example is better than precept—teachers earn little. Doesn't this



come from teachers' example? This is only a joke. It is not the young people's fault if they are weary of studies. The responsibility lies in elders!"

#### **Become One With the Masses**

When he was a member of the Secretariat of the Communist Youth League [CYL] Central Committee in the 1950's, Hu Yaobang paid attention to becoming one with the people. He said: "We should voluntarily go among young people. Young people are bashful. If you do not take the initiative to make friends with them, they will not pay attention to you." We should make friends with them and become a component part of their life.

In 1955 Hu Yaobang went to Guangdong on business. He entered a train carriage full of university students and had a chat with them as if they were old friends who had met after a long separation. After talking for an hour or so, they realized that they were talking to the Secretary of the CYL Central Committee. Immediately there was a cry of joy.

Jin Jian, the present vice minister of justice, recalled: "I worked as Secretary of the Dongdan District CYL Committee in the 1950's. Several days after Hu Yaobang was transferred to be secretary of the CYL Central Committee, he suddenly came to the district league committee to acquaint himself with the situation and talk with league cadres. His easygoing and enthusiastic style moved us deeply. From then on, I was determined to learn from him."

#### **Distinctive Character of Diligence and Simplicity**

At all times and in all places Hu Yaobang paid attention to preserving the sterling qualities of the common people, namely, being pure, simple, unaffected, diligent, and plain and paying attention to frugality. Hu Yaobang and his family members have consistently refrained from seeking personal privileges for several decades. His one daughter and three sons observed all rules and regulations and earned their own living. In 1955 Tao Zhu, secretary of the Guangdong Provincial CPC Committee, sent a car to take Hu Yaobang to Hainan island. When Hu heard a security guard say how many liters of gasoline would probably be consumed, he walked over and said: "Pay attention to frugality. We should not make mistakes on this matter!"

Once, Hu Yaobang's father, who had come from Hunan to see him, was hospitalized for illness but unfortunately passed away. Hu Yaobang was so deeply grieved that he wept bitterly. Everyone asked him to restrain his grief. While weeping, he said: "I took off my fur coat to give him but he wore it for only a winter!" With his face bathed in tears, he said: "He was such a good father and he never beat me once!"

#### **The Character of Readily Accepting Good Advice**

Hu Yaobang has a character of learning from and acting upon good things and readily accepting good advice. He often said: "Instead of leaving a mistake uncorrected and making the best of it, we should acknowledge mistakes and be good at correcting them."

Zhu Zhiyan, former editor of ZHONGGUO QINGNIAN BAO, wrote in a memoir that Hu Yaobang had apologized to him and some colleagues. It happened at a meeting of government organs held in July 1957 to sum up the work of eliminating counterrevolutionaries. At that time, Hu Yaobang was secretary of the CYL Central Committee and the person making the concluding report was Liu Xiuyan, another secretary of the CYL Central Committee. Hu originally sat behind the speaker on the platform. When Liu was talking about the tortuous course of the struggle to eliminate counterrevolutionaries, Hu Yaobang suddenly stood up and strode to the front of the platform. He made his way in front of the microphone and said: "In the current elimination of counterrevolutionaries, some good comrades have been hurt...." Taking a piece of paper handed over to him by his secretary, he read the list in a loud voice, the first one being Zhu Zhiyan. After reading the list, he said: "This is the responsibility of the Secretariat, and, first and foremost, my responsibility and my error, because I am the first secretary and I made the final decision on how major cases should be handled. I want to apologize to these good comrades! Comrades, pardon me!" After finishing speaking, he walked to the middle of the rostrum and made a deep bow to those below the platform.

#### **Commentator Article on Social Stability Cited**

OW2004092189 Beijing Domestic Service  
in Mandarin 0500 GMT 20 Apr 89

[XINHUA commentator article: "Maintenance of Social Stability Concerns the Overall Situation at Present"; from the "News" program]

[Text] With deep grief the people of the capital have carried out various activities in the past few days to commemorate Comrade Hu Yaobang, a great proletarian revolutionary and statesman, and to cherish the memory of his glorious life of utter devotion to the party and the people. In these days, however, some noticeable abnormal phenomena have also appeared in the capital. Some people deliberately directed the spearhead at the party and the government under the pretext of mourning Comrade Hu Yaobang. They made inflammatory speeches, chanted the reactionary slogan of down with the Communist Party, smeared and damaged the Monument to the People's Heroes, and even stormed the Xinhua Gate and beat up and injured armed police fighters who were maintaining order there.

Obviously, they were not mourning Comrade Hu Yaobang, but interfered with the normal mourning activities. It was quite clear that they were seizing the opportunity to do what they wanted and deliberately

create disturbances. Their acts went beyond what is permitted by law. It is absolutely necessary to take firm measures to promptly check such unlawful acts.

China's reform and construction are now at an important juncture. It is imperative to uphold the four basic principles and create a good, stable political and social environment to fulfill without impediment the arduous task of improving the economic environment and rectifying the economic order. All patriotic citizens should safeguard the situation of political stability and unity. This is a matter which concerns our overall situation at present.

Nonetheless, there are at present certainly a small number of people who are stirring up disturbances either openly or behind the scenes. They are not genuinely concerned about the nation's prosperity and the people's well-being, but are craving for nothing short of nationwide chaos. All warmhearted, good, and honest people who truly support the reform and open policy and hope that the motherland will become prosperous, rich, and strong should think soberly, make a clear distinction between right and wrong, and heighten their vigilance against them. Under no circumstance should they allow themselves to be taken in by them.

The recent Second Session of the Seventh National People's Congress adopted a resolution calling on the people of all nationalities throughout the country to unite as one, act with one mind, and pool their wisdom and efforts to further safeguard the stable social environment and strenuously fulfill the tasks of improving the economic environment, rectifying the economic order, and deepening reforms under the CPC leadership. If we resolutely carry out this resolution of the above-mentioned session, we will be able to overcome the temporary difficulties and advance our country's great cause of reform and construction. We believe that this was also the aspiration of Comrade Hu Yaobang. Safeguarding political stability and unity with the overall situation in mind and making new achievements in improving the economic environment and rectifying the economic order is the best way to commemorate Comrade Hu Yaobang.

#### Article Fears Backtracking on Reform

HK2004010789 Shanghai SHIJIE JINGJI DAobao  
in Chinese 10 Apr 89

[Article by Qian Jiaju (0578 1367 7467): "It Is Not Impossible To Go Back Onto the Old Path—Reading Li Peng's 'Government Work Report'"—first paragraph printed in a box]

[Text] It is a matter of fact that in the last 6 months we have already gone far enough along the old path. Not one word was mentioned in Li Peng's report about the necessity and importance of price reform to our economic structural reform (in sharp contrast to Zhao Ziyang's government work report of 2 years ago). There

is no scientific, practical analysis of the reasons for the failure of last year's price reform. Not one word was mentioned about whether or not reform of the unreasonable price system will continue after improvement and rectification, except that there will be a series of administrative orders for stabilizing prices. Viewed historically, there have not been any precedents, in ancient or modern times, in China or abroad, in which administrative orders can successfully control prices. I was ill and did not attend the Second session of the Seventh Chinese People's Political Consultative Conference. But I have recently read the lengthy—totaling more than 20,000 words—government work report by Premier Li Peng. The report opens with the main theme of improving the economic environment and rectifying the economic order, listing a series of specific measures designed to make this year's price increase level much lower than last year; to curb inflation; to cool down the overheated economy so as to upgrade and improve the quality and results of our economy; and to guarantee a long-term, stable development of the national economy. The main theme is clear and the measures adopted are very specific. Skimming through it, I felt that the report was comprehensive. But after I analysed it in detail, it only made me anxious. I now feel that it is highly likely that our economic structure will slide back onto the old path. As a matter of fact, over the last 6 months we have backtracked quite a distance.

The difference between commodity economy and product economy lies not in whether the products are a commodity (whether in the Soviet Union or China, products turned out from state-run enterprises have always been put on sale in the market as a commodity), but rather in the following: Commodity economy relies on the market to regulate prices, that is it relies on the functions of the law of value to adjust commodity production; whereas in product economy, the market is regulated by administrative orders. Since the founding of the country, and with the adoption of the 1950's Soviet product-economy model, prices have been frozen by administrative orders at a level. Prices at that time reflected neither values nor the market demand-supply relationship. For a long time prices were cut off from value, as were described in the 1984 "The CPC Central Committee's Decisions on Economic Structural Reform": "The existing price system in our country, owing to long-term negligence of the functions of the law of value in the past, is in a very chaotic state. The prices of many commodities reflect neither their value nor their demand-supply relationships. Without reform of this unreasonable price system, it will be impossible to appropriately evaluate enterprises' production and sales results, safeguard free flows of materials in urban and rural areas, to advance technology, or rationalize the production and consumption structures. Enormous social labor wastage is bound to happen..." Therefore, "reform of the price system is the key for the entire economic structural reform." Precisely for this reason, the national leaders of our country (including Deng Xiaoping) held that it was necessary to crash through the

pass of price reform and that it was impossible to sidestep. This was entirely correct. So why then did price reform fail? The major cause is not the reform itself, but the fact that people had lost confidence in the government, in particular, in those people who, with power in their hands, abused it by engaging in speculation. Rampant "official" speculation created confusion and people were highly dissatisfied with the situation. This is why, when the price of tobacco and wines was deregulated between July and August, panic erupted, resulting in bank-runs and panic buying in the market. Theoretically, price deregulation on high-grade tobacco and wines (unlike coal or electricity) would not affect the price of other commodities. There would not be the question of the enduring capacity of the state, enterprises or people. So why were there chain responses resulting in a panic psychology in the population? It was obviously closely connected with an unhealthy party style and social atmosphere. Secondly, an excessive capital construction scale and overheated economy resulted in excessive issuance of current money, that is the problem of inflation. First the loss of people's confidence in government reform, and second the excessive issuance of money, these two factors combined to abort last year's price reform. To stabilize prices as well as social psychology, the government adopted measures which consisted of a range of administrative decrees to curb price increases, at the same time as taking up the policy of improving the economic environment and rectifying the economic order. All these were necessary and could not but be so. But if this method, in which prices are managed by means of administrative orders, is taken as the fundamental policy with which to stabilize prices and develop the economy, then plainly, we are moving back onto the path of more than 30 years ago. This will not be a transition from product economy toward commodity economy, on the contrary it will be the commodity economy returning to the old path, and the so-called "change between the old system and the new one" will not be the old one changing into the new one but quite the opposite. This was the impression I got after I read through the third section of Premier Li Peng's report, that is the "Rectifying in a Serious Manner the Economic Order—In Particular the Order in the Circulating Realm" section. Not a word was mentioned in Li Peng's report about the necessity, as well as the importance, of price reform in the economic structural reform in our country (contrasting sharply with Zhao Ziyang's Government Report 2 years ago). Nor are there any scientific, pragmatic analyses of the reasons for the failure of last year's price reform. Not one statement raises the question of whether or not reform of the unreasonable price system needs to continue when improvement and rectification are over. There are only a range of State Council orders prescribing this and that, that so and so must be strictly enforced, or "must be stopped," that somebody will be held liable for "legal or criminal responsibilities," et cetera. In a word, price stabilization will be achieved with a series of administrative orders, and there is not a single word about relying on objective economic laws, not a single word stating that these

administrative measures are only interim ones. In the eyes of Li Peng, the major reason for price hikes is inadequate administrative management.

From an economic point of view, if prices could be stabilized for a long time by means of the government's administrative orders, the discipline of price theory might as well be abolished. Historically, there are no precedents, in ancient or modern times, in China or abroad, in which prices were successfully brought under control by means of administrative orders. What is more, last year's inflation in our country was not due to price deregulation. On the contrary, it was inflation that caused its failure. This point cannot be more clearly stated than by Nobel-prize winner Milton Friedman, who during his visit to China last year made this remark: "Price deregulation alone will not lead to spiraling price increases. But when prices are de-controlled, strict controls must be placed on inflation, or the efforts of price deregulation will fall through because of inflation. The cause of inflation anytime or anywhere, is the government printing too much money, and this is a wholly different thing from deregulating prices." He also said: "Price control is not an effective way to put inflation under control. There is no precedent in history in which an attempt to remedy inflation by means of price control succeeded." Although Friedman is a bourgeois economist, objective economic laws apply equally to capitalism and socialism.

As the necessity of price reform is not mentioned in the work report at all, all we want is to prevent the appearance of stagflation by means of adjusting production structures; reforms in the internal structures of enterprises, and so on. These, of course, are all necessary. But whether they will be effective remains to be seen. Recently, Stephen Solarz, chairman of the Congress' Asian and Pacific Affairs Subcommittee, was invited by SHIJIE JINGJI DAOBAO to write an article comparing the political and economic structural reforms of the Soviet Union and China. The arguments that he made can serve as our reference and deserve, I think, our serious consideration.

"Let's say first that state-run enterprises are given more decisionmaking powers for the purpose of raising economic results. But if the prices of raw materials keep rising, and product prices are kept very low artificially, then even enterprises which are truly efficient may be unable to earn more profits. On the other hand, some of the enterprises, though not efficient, will all the same earn profits because of the favorable price differentials granted to them. Second, it seems that the policy of credit allocation does not have much effect in stimulating an enterprise's efficiency. If a state-run enterprise is able to obtain funds through its political connections, and not its economic results, or its management department is aware that the state will not let it go bankrupt, then the enterprise may not have the incentive to lower costs or improve either its product quality or work efficiency. If there is a lack of macro-control over credits, inflation and economic overheating



may occur. Third, state-run enterprises are required to fulfill two mutually contradictory goals: making profits through efficient use of resources, while providing social security to their workers, which prevents them from firing workers even when they no longer need them. If out of internal pressure an enterprise must grant cash rewards to its workers irrespective of its production results, it will be very difficult for this enterprise to enlarge its profit margins. A method intended to resolve these age-old problems will only create new contradictions if it is a compromise measure. If the intention of the double-track price system is to let only part of the market force function, then this will only create opportunities for other groups of people, or enterprises, to exploit them for unreasonable profits." (See SHIJIE JINGJI DAOBAO, No 432)

The point Solarz was trying to make is that some of the contradictions rendered unavoidable by China's economic structure will become sharper as our country slides back into the old system. "He who watches outside sees more clearly than one caught inside." We hope that the Chinese leaders will pay serious attention to Solarz' opinions.

Of course, China's product economy turning backward does not signify that the country is turning away from the direction of reform. The general tendency, and the minds of the people, now favor reform and opening up, which is also the present international trend, one that is irreversible in all—including the Soviet Union—socialist countries. It is simply not possible for China to turn back to the closed, pre-"Cultural Revolution" state, nor is it possible to stop political and economic structural reforms. However, having read Premier Li Peng's government work report, and having witnessed the present adverse economic situation, I feel that the pace of China's reform may temporarily stop, or even be diverted onto another route which will involve a longer journey before it leads back to the original one. Furthermore, I am afraid that it will be hard for China's economy to avoid stagflation.

#### **Fang Lizhi Discusses Obstacles to Democracy**

HK2004074789 Hong Kong CHENG MING in Chinese No. 138, 1 Apr 89, pp 70-71

[Article by Yang Li-yu (2799 0500 1342): "Obstacles to Democratization on Chinese Mainland and the Future Prospects—a Talk with Professor Fang Lizhi"]

[Text] Being pushed by CPSU leader Gorbachev, the Soviet Union has not only actively been pursuing an open economic policy, but has also greatly advanced political reforms. Therefore, Sakharov and other dissidents were allowed to visit foreign countries, and they were also allowed to freely say what they wanted to say and then freely return home. However, after being expelled from the CPC in 1987, Professor Fang Lizhi, who is reputed as "mainland China's Sakharov," was transferred to a new position far away from the democracy-demanding students in the Science and Technology

University in Hefei. His remarks were then criticized again and again. Recently, Fang was invited by many organizations in the United States and in Taiwan, but the CPC authorities did not allow him to go abroad and even did not allow him to make speeches in the Science and Technology University. All this has been widely noticed by people in China and in foreign countries. Recently, Soviet democratic fighter Sakharov also sent a telegram to Chinese Premier Li Peng, requesting the Chinese authorities to respect human rights and allow Fang Lizhi to make foreign visits. The CPC authorities ignored all these appeals and continued to forbid Fang Lizhi's foreign visits. Under the strong pressure exerted by the CPC authorities, I recently called on Fang Lizhi and held an in-depth and extensive talk with him in his house. He pointed out that it is very likely that his house and his telephone have been bugged, but he will continue to say what he wants to say. In our talks, he used unflattering remarks to criticize the CPC and to express his expectation. He is indeed an indomitable democratic fighter, never give in and never compromise himself.

#### **The Obstacles to Democratization**

We first discussed the obstacles to the democratization process on the mainland. Fang Lizhi particularly pointed out: The CPC is an interest group, which will inevitably and firmly protect its vested interests and will never voluntarily give up these interests or voluntarily take the road of democratization. Economic reform is necessary, because economic collapse may lead to the death of the party and the state. However, political reform will affect the vested political interests, so its possibility is very little. Therefore, the CPC will continue to adhere to "one-party dictatorship" and will fear that democratization and democratic politics based on a two-party or multi-party system will affect the political status of its regime and its leaders.

Fang Lizhi said: The second obstacle to the democratization process on the mainland comes from the systems. Now the CPC is exercising "one-party dictatorship" and does not allow the existence of opposition parties. It only allows the existence of some democratic parties as "political flower vases" for a window-dressing purpose. How can these democratic parties meet the requirements of democratization? The eight democratic parties are the outcome of the CPC leadership's "multi-party cooperation system." Their finances come from the CPC and they subject themselves to the CPC's leadership and control. There is no equal relation between these parties and the CPC. How can they play a supervisory and check-and-balance role as opposition parties? On the mainland, there is no unofficial newspaper and no real representatives who are elected by the people and represent the wishes of the people. How can public opinion play a supervisory role in real terms? The supervisory role is now also played by the CPC itself. But how can an organization supervise itself effectively? As Fang Lizhi said, this question is so apparent that any people can

answer according to his common sense or basic knowledge about democratic politics. So, the people's congress can only "warmly discuss" something, and can never veto any policy decision made by the CPC central leadership.

Fang Lizhi said: The third obstacle to the democratization on the mainland comes from the thinking and mentality of the CPC leaders. Most of the old-age leaders are veteran soldiers who fought the battles and seized the state power for the party. So they performed deeds of valor for the regime. However, their minds are full of feudal ideas and do not understand democracy and democratic politics at all. Leaders in their 60's were trained in the Soviet Union and Eastern Europe when they were young, and they only know about one-party dictatorship. None of the members of the CPC Political Bureau and even the members of the CPC Central Committee really has personal experience in Western democratic politics or long for Western-style party politics. How can they be expected to promote democratic politics? Scholars and students who have received education in Europe and America learn much about the essence of democratic politics, but most of them are not willing to return to China. A small number of these people returned to China, but they were not appointed to leading positions and could not play a role that they should and could play, because the CPC feared their democratic ideas. Now, only one or two returned scholars are promoted to a vice-ministerial post.

#### Root Causes of Corruption

Then, we talked about the corrupt and self-seeking phenomena among the CPC bureaucrats. Fang Lizhi said: The corruption of the CPC has reached an astonishing degree. Now, almost all people are running after money and trying to make more money. CPC cadres are no exception, and most party cadres also try by every possible means to reap fortune and to raise their individual political status and living standards. They also try hard to send their children to foreign countries. Therefore, Beijing University students recently put forth four demands, requiring party cadres to make public:

- 1) their property;
- 2) their overseas bank accounts;
- 3) their housing conditions;
- 4) the whereabouts of their children.

All human beings are selfish, but CPC cadres are more self-seeking than other people, because they know how to use their prerogatives to satisfy their desires. So there must be effective supervisory mechanisms in whatever good systems. However, the CPC's one-party dictatorship precludes the existence of any opposition party, people's representatives in real terms, and public opinion supervision and sanctions. It only allows its self-supervision. So the party can only protect its vested interests, and will firmly oppose the demand of intellectuals and students for organizing parties so as to maintain one-party dictatorship for ever.

#### The Pitiability of Intellectuals

We also talked about the apathy and the helpless condition of the intellectuals in China. Fang Lizhi agreed that under the control of the CPC, it is hard to bring the role of intellectuals into play, but he also sharply criticized China's intellectuals. He said: Many intellectuals in China accept the Confucian tradition according to which, "officialdom is the natural outlet for successful scholars." So they are often willing to be bought over, utilized, split, and lured by the ruling class. After joining the officialdom, they will lose their idealist spirit. As compared with Western intellectuals, many Chinese intellectuals lack an independent personality and very few of them dare to challenge the authorities and sharply criticize the authorities. Some scholars and experts keep silent and try to evade politics in reality and to seek comfort from the ivory tower. Some intellectuals even yield to and curry favor with the authorities. Still some intellectuals only rest content with making mild and impertinent criticisms and lack courage to touch the taboo subjects. This is a pitiable point of the Chinese intellectuals. Now, only a very small number of intellectuals dare to directly challenge the authorities, make penetrating and extensive criticisms, and loudly call for radically reforming the current systems. As a result, they have been disgraced or expelled from the party. Only some college students can maintain the idealist spirit and dare to carry out demonstrations and other open activities for advocating democratization. So he was rather pessimistic about the development of the mainland's democratization.

However, viewing from a long-term perspective, he is still quite optimistic, because the democratic trend is irresistible and the people will eventually awaken to the necessity of democracy. Moreover, students and intellectuals will also eventually get organized. Parties and organizations will be established at home and abroad to promote the democratic movement on the mainland. The democratic movements in all parts of the world and the mainland's economic opening will inevitably force the CPC to gradually move onto the path of democratization. The CPC will never voluntarily "bestow" democracy on the people, so the people must rely on their own strength to fight for democracy. "Those who comply with the historical trend will prosper, and those who go against the historical trend will perish." The CPC can never permanently succeed in suppressing and resisting the torrents of the democratic movement. If it stubbornly clings to its anti-democratic stance, it will eventually perish. So, Fang Lizhi deeply believed that the democratic movement on the mainland, though undergoing a dark period, will eventually achieve a brilliant and successful result.

**People Take Examinations for Government Posts**  
OW1604144689 Beijing XINHUA in English  
1333 GMT 16 Apr 89

[Text] Beijing, April 16 (XINHUA)—Over 1,100 people have taken part today in public examinations for applying 82 posts in the Ministries of Construction and Light Industry. [sentence as received]

The examinees include office workers, teachers and college graduates as well as employees of research institutes and enterprises. Many of them have bachelors or masters' degree.

Testing would-be government employees is part of China's effort to implement the public servant system. The State Environmental Protection Bureau and the Ministry of Civil Affairs recruited some 100 employees through public examinations at the end of last year.

Dai Guangqian, a department director of the Personnel Ministry who is in charge of the current recruitment through examination, said that the traditional system of absorbing new office workers for government posts is too out-of-date and the state-controlled personnel distribution system should be reformed.

He said that the public examination could offer an opportunity for those willing to work at government posts to compete with each other equally.

According to officials from the ministry, government posts are still attractive to young people though there still exist inefficiency and bureaucracy in government organizations and low salaries for functionaries.

**Non-Communist Official Hu Juewen Dies 16 Apr**  
*OW1704094389 Beijing XINHUA in English*  
0826 GMT 17 Apr 89

[Text] Beijing, April 17 (XINHUA)—Hu Juewen, vice-chairman of the Sixth National People's Congress Standing Committee and a well-known patriotic democratic figure, died of illness in Beijing yesterday at the age of 94.

Born in Jiading County in Shanghai, Hu graduated from the Beijing Higher School of Industry in 1918.

In 1945, he founded the China Democratic National Construction Association, one of the eight existing non-Communist parties, together with Huang Yanpei and others.

By uniting patriotic national industrialists and businessmen to take part in the patriotic democratic movement, he made an important contribution to the development of national industry, the liberation of the nation and the new democratic revolution.

In September 1949, Hu took part in the first plenary meeting of the Chinese People's Political Consultative Conference and helped to prepare for the founding of the People's Republic of China.

After the founding of New China, he did much to mobilize industry and commerce in Shanghai to resume production and develop the local economy. He also persuaded his colleagues to take part in the socialist transformation.

Hu has long been involved in consultation upon, and the making of, important state policies and the administration of state affairs. He made major contributions to the consolidation and development of united patriotic front work, to the improvement of the multi-party co-operation system under the leadership of the Chinese Communist Party, and to socialist construction.

He was honorary chairman of the Central Committee of the China Democratic National Construction Association and chairman of the Council of the China Vocational Education Society.

#### Leaders Visit Hospital

*OW1904115289 Beijing XINHUA Domestic Service*  
in Chinese 1232 GMT 17 Apr 89

["Local Broadcast News Service"]

[Excerpts] Beijing, 17 Apr (XINHUA)—Comrade Hu Juewen, vice chairman of the Sixth National People's Congress [NPC] Standing Committee, honorary chairman of the China Democratic National Construction Association, chairman of the Council of the China Vocational Education Society, and a well-known patriotic democratic figure, died of illness in Beijing at the age of 94 at 2357 on 16 April 1989. [passage omitted]

Qiao Shi, Hu Qili, Yan Mingfu, Sun Qimeng, Wang Guangying, Sun Xiaochun, and other comrades visited Comrade Hu Juewen when he was hospitalized.

#### State Council Appoints State Functionaries

*HK1704033989 Beijing RENMIN RIBAO in Chinese*  
12 Apr 89 p 2

[XINHUA report: "State Council Appoints State Functionaries"]

[Text] Beijing, 11 Apr (XINHUA)—The State Council appointed state functionaries on 21 March.

Jiang Guanzhuang was appointed as vice minister of personnel, and Duan Ruiyu [corrected as Yin Ruiyu in the 12 April issue of RENMIN RIBAO] as vice minister of metallurgical industry.

#### Trade Unions Adopt Model Workers Resolution

*OW1704124889 Beijing Domestic Service*  
in Mandarin 1030 GMT 13 Apr 89

[Text] According to a station report, the 2d Presidium meeting of the 11th Executive Committee of the All-China Federation of Trade Unions recently adopted a resolution calling on all the workers throughout the country to mobilize to greet the convocation of the national meeting to commend model and advanced workers for outstanding achievements.



The State Council has decided to convene a national meeting to commend model and advanced workers on the eve of the national day this year. In this connection, the All-China Federation of Trade Unions urges the broad masses of workers in all fields of endeavor to bring their role as the principal force of the working class fully into play; work vigorously; wage arduous struggle; learn from and overtake the advanced workers; vie with one another to become model workers; and strive to carry out their work in all fields well.

The All-China Federation of Trade Unions also called on all trade union organizations in the country to pay full attention to improving the economic environment and rectifying economic order and to deepening reforms; combine their efforts to develop social productive forces and those safeguarding the interests of the workers and the masses; share weal and woe with the workers; speak, act, and solve problems for the workers; and help the government and all administrative departments improve the workers' working and living conditions. It also pointed out: All trade union organizations must show concern over and cherish advanced workers and ensure that these workers' lofty spirit is continuously brought into full play among all workers.

#### **Resolution Commends Model Workers**

OW1704065089 Beijing XINHUA Domestic Service  
in Chinese 1340 GMT 13 Apr 89

["Local Broadcast News Service"]

[Text] Beijing, 13 Apr (XINHUA)—The All-China Federation of Trade Unions adopted a resolution recently, calling on all the workers throughout the country to greet the national meeting on commending model and advanced workers for their outstanding achievements.

The resolution pointed out: The large number of model and advanced workers who have emerged in the country during the 10 years since we began to carry out reforms and open to the outside world represent the fine traditions of China's working class and the features of our age. They have set good examples for all the workers throughout the nation in displaying the spirit of boldly working hard, blazing new trails and creating new things, the spirit of taking into consideration the overall situation at all times and selflessly dedicating themselves, and the spirit of abiding by the laws and waging arduous struggles. They should be respected by the whole society. The All-China Federation of Trade Unions calls on the broad masses of workers in all fields of endeavor in the country to bring into full play their role as the principal force of the working class; extensively, penetratingly, and continuously developing the campaign to increase production, practice economy, raise revenues and reduce expenditures; carry out various activities to learn from and overtake the advanced; and greet the national meeting on commending model and advanced workers with

their outstanding achievements in improving the economic environment and rectifying the economic order and in implementing the reform and open policy.

#### **CPC Document on Literature, Art Viewed**

HK1904104189 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No. 15, 10 Apr 89 pp 3-5

[Article by staff reporter Yin Jindi (3009 6855 1229): "For the Sake of the Flowering of Literature and Art—on the Formulation of 'Some Views of the CPC Central Committee on Further Promoting Literature and Art'"]

[Text] The document "Some Views of the CPC Central Committee on Further Promoting Literature and Art" (called "Some Views" hereafter for short) has been made public. The process from the advocacy of such a document to its present form has taken a whole year. If we trace back a little earlier, the contents of the document can be said to be the generalization and summation of the experience of the CPC in exercising leadership over literature and art work over the last 10 years and also the generalization and summation of the practical experiences of writers and artists over the last decade. Paying a good deal of attention to the document, writers and artists have praised it, adding: It is a programmatic document designed to bring about a long-term, steady flourishing and development in our country's socialist literature and art cause.

#### **A Long-Term, Stable Policy Is Needed**

After the 3d Plenary Session of the 11th CPC Central Committee, while pursuing the general policy of reform, opening up to the outside world, and building socialism with Chinese characteristics, the CPC made a timely readjustment in its principle and policy toward literature and art work.

In 1979, in a speech greeting the Fourth Congress of Chinese Writers and Artists, Deng Xiaoping explicitly pointed out: "Party committees at all levels should give good leadership to literature and art work. Leadership does not mean handing out administrative orders and demanding that literature and art serve immediate, short-term political goals. It means understanding the special characteristics of literature and art and the laws of their development and creating conditions for them to flourish. That is, it means creating conditions that help writers and artists to improve their skills and to produce fine works and performances truly worthy of our great people and era." As for "what subjects they should choose for their creative work and how they should deal with those subjects, these are questions that writers and artists themselves must examine and gradually resolve through practice. There should be no arbitrary meddling in this process." With these remarks of Deng Xiaoping, the main deviations and errors made by the CPC under the influence of "leftist"

ideology in exercising leadership over literature and art work since the founding of the PRC were thus corrected. Naturally, this won a warm welcome and support from the world of literature and art.

That in the last decade the literature and art cause has flourished has proved that the policy of the PRC toward literature and art is correct and has also proved that the ranks of Chinese writers and artists are trustworthy. So long as there is a correct, long-term, and stable policy, a sound environment for promoting literature and art can be created. With a sound environment, there will certainly emerge more outstanding works as time goes by.

In the 30 years following the founding of new China, the country experienced a lot of disturbances in the economic, political, and cultural fields. The public accusation and criticism campaigns launched one after another in the past have caused the spread of a sense of insecurity among our writers and artists. Since many people even failed to just protect themselves, how could new works of art or greater artistic creation be expected? In the last 10 years of the new period, since Deng Xiaoping delivered his speech greeting the Fourth Congress of Chinese Writers and Artists, the government has pursued a stable policy toward literature and art and has never conducted any so-called "movements" in literature and art circles. As a consequence, no works or writers have ever suffered unexpected calamity because of the likes or dislikes of one or two individuals.

However, at certain times and in certain localities, some people are still used to exercising leadership in literature and art work and to approaching some works using old methods. When a work is created, they always hope a particular leader will make known his position and decide whether the work is good or bad. When a controversy occurs over the work, these people habitually ask the leader to decide the rights and wrongs of the case. If this leader airs his views on the issue, these people will look up to them as the standard, and if the leader criticizes a certain tendency, they will naturally attempt to follow the same old model of criticizing from the higher plane of principle and two-line struggle. This being the case, what method we should take in exercising leadership in literature and art work so as to ensure the long-term, stable development of literature and art has become a problem demanding a solution.

Writers and artists urgently wish there to be a long-term, stable policy toward literature and art and, moreover, that it should be manifested in the form of a document so that there will be grounds to follow and all people concerned can follow and implement it. Expressing understanding of this feeling of writers and artists, the CPC held that summing up the past experience since the founding of the PRC, and especially in the last decade of the new period, improving and strengthening leadership over the literature and art cause, and adhering to the principle and policy of developing literature and art in a

sustained and stable way are a prerequisite and foundation for further promoting socialist literature and art. Therefore, there is a need for a document expounding the CPC Central Committee's principle and policy on literature and art in the new period.

At the meeting of the Political Bureau on 7 January 1988, Zhao Ziyang suggested that such a document be drafted. Prior to this, he had discussed his views of principle on literature and art issues. His views can be summarized as follows: First, he stressed that the general principle of the CPC Central Committee is adhering to two, rather than one, basic points (adherence to the four cardinal principles and to the reform and opening up to the outside world), and that writers and artists should be united as one and look ahead, and should refrain from quibbling over old accounts in history. Second, on the question of the party's principle concerning literature and art, he said: Experience over the years shows that what we should really handle is just major issues concerning literature and art. We should involve ourselves less in specific works, dramas, or movies and in the problems of specific individuals. Third, we should introduce a "double-track system" among literature and art performing organizations. In other words, a small number of key performing organizations representing the state's artistic levels should be run by the state, while other literature and art performing organizations can be formed freely, independent of the state.

The group for drafting the document started work in early February 1988.

The related member of the Secretariat of the CPC Central Committee who took direct charge of the drafting work pointed out: In literature and art work, on some major policy issues there must be more explicit, authoritative ways of explaining things and more accurate definitions. A document that systematically expounds the party's advocacy of and principle and policy concerning literature and art in accordance with the guidelines of the 13th CPC National Congress is urgently needed. Drafting such a document is a very difficult job, but we have some favorable conditions in this regard. First, the 13th CPC National Congress has put forth the basic line for the initial stage of socialism, thus providing a theoretical basis for unifying people's thinking. Second, Zhao Ziyang's two speeches have outlined the major line of thinking, thus working out a major, clear line of demarcation. A lot of useful experiences have been accumulated in literature and art over the 9 years or so since the 3d Plenary Session of the 11th CPC Central Committee.

It was precisely on the basis of these favorable conditions that the drafting group finally finished drafting the document after going through a process of extensive soliciting of opinions from writers and artists of all quarters in society, drawing on collective wisdom and absorbing all useful ideas, and revising the draft more than 10 times.

### A Crystallization of Collective Wisdom

The document "Some Views" can be said to be a crystallization of collective wisdom. Having summed up the experiences, positive and negative, of the CPC in exercising leadership in literature and art work since the founding of the PRC, in particular in the last decade, and having absorbed the real knowledge and deep insight of many well-known figures in literature and art circles who have differing views and opinions, and in accordance with the requirements set for literature and art work in the new period, the document expounds in broad terms the basic principle and policy adopted by the CPC to further promote literature and art.

Before setting about drafting the document, the drafting group had done a lot of investigation and studies and broadly solicited opinions from all quarters concerned. In the short span of some 20 days from late February to mid-March 1988, the group held more than 20 forums attended by 72 well-known figures in the world of literature and art, including 23 people who have been engaged in leadership work in literature and art for a long time, 13 writers, 7 artists, 6 literature and art theoreticians, 6 literature and art editors and publishers, and 17 persons in charge of various literature and art associations (including editorial departments of some literature and art publications). Every forum was attended by three to five people and thus every participant could air his opinions to the full. The related leader of the Secretariat of the CPC Central Committee attended all the forums and listened face-to-face to the speeches of the participants and heeded their opinions. In those forums, efforts were concentrated on discussing four problems: 1) How should we correctly appraise the situation on the literature and art front in the last decade of the new period? 2) What further basic guidelines should we have in the light of the new situation? 3) How should we improve and strengthen the party's leadership over literature and art work? 4) How should we do a good job in the reform of literature and art? Although the participants held different views, some differing vastly, through discussions the drafting group managed to keep abreast of current developments, thus providing a foundation for drafting the document.

On 4 June 1988, through discussion, the Standing Committee of the Political Bureau of the CPC Central Committee adopted in principle the sixth draft of the document (document draft), which had been carefully revised by Rui Xingwen many times. It was decided that the document draft should be distributed to the 1,500 delegates to the ongoing congress of writers and artists to solicit their opinions. Prior to the convention of the congress, the document was specially discussed at the National Meeting on Literature and Art Work held by the Central Propaganda Department in July. Soon afterward, opinions of the delegates to the Congress of Writers and Artists, which was held between September and October, were solicited on two occasions on a big scale. In addition, opinions were

also solicited from some veteran cadres engaged in ideological work and local leadership work for a long time. During this process, the drafting group repeatedly revised the document on the basis of the opinions collected. On 15 December 1988, the document "Some Views," which had undergone dozens of revisions, was formally adopted in the second round of discussion held by the Standing Committee of the Political Bureau of the CPC Central Committee.

The statements or instructions by CPC leaders on literature and art issues since the founding of new China are numerous, but special documents issued by CPC Central Committee systematically discussing literature and art issues are few. Those which have played an important role include the document submitted jointly by the leading party groups of the Ministry of Culture and the China Federation of Literature and Art Circles and approved for transmission by the CPC Central Committee in 1962, that is, what is usually called the "Eight-Point Regulations Concerning Literature and Art," and the congratulatory speech delivered by Deng Xiaoping at the Fourth Congress of Chinese Writers and Artists in 1979 and transmitted to lower levels as a central document. The document "Some Views," which has been adopted and formally promulgated by the Standing Committee of the Political Bureau of the CPC Central Committee, can be said to be the first document formulated and promulgated by the CPC Central Committee to systematically expound the principle and policy on literature and art. It will undoubtedly have a far-reaching influence on the long-term flowering and development of China's literature and art cause.

The process of drafting the document was a process of both developing democracy and pooling wisdom. The various good opinions aired through democratic channels have been summed up in the document as far as possible. If we trace back the process of the numerous revisions of the document, we can easily detect the tendency of pooling wisdom and see the process of selecting differing views and striving for an accurate expression of the views.

Appraising the literature and art situation over the last decade was a hot theme of discussion in almost every forum. Though a small number of writers and artists took a pessimistic or even negative view in appraising the situation in literature and art work in the last decade, the great majority contended that the achievements made in literature and art over the last decade were great and could not be underestimated. Of course, there is some distance to go before a consensus of views is reached on the issue. As with appraising achievements in work, some people take the shortcomings and mistakes in literature and art over the last decade seriously and others take them lightly. However, they unanimously agree that during this period, there have emerged many outstanding works profoundly depicting social changes and the spirit of the times, along with some works which have a negative influence on society. Some writers and



artists have inadequate techniques for literature and art creation, limited cultural accomplishments, and inadequate artistic preparation. Others show little sense of social responsibility and are divorced from the realities of life in varying degrees, creating their works in a rough and slipshod way.

In the process of drafting the document "Some Views," every effort was made to make a practical and realistic appraisal of the achievements and mistakes of literature and art work during this period, with the consensus of views reached among writers and artists given full consideration. In the several earliest drafts of the document "Some Views," after concretely affirming the remarkable achievements of writers and artists in emancipating the mind, promoting literature and art creation, and training talented people, a succinct appraisal was made: The last decade was the most fruitful period for the literature and art front, marked by the most lively exploration of ideological issues and the emergence of the greatest number of people of talent since the founding of new China. However, in the course of deliberating the document and soliciting opinions from literature and art circles, leaders of the CPC Central Committee maintained: Ten years is a short time. We should see the achievements and progress as well as the shortcomings and inadequacies in literature and art as a process of development and change and refrain from approaching them as isolated and static in terms of absolutes. Therefore, in revising the first draft, the succinct appraisal was changed to: "The last decade was a fruitful period for the literature and art front, marked by lively exploration of ideological issues and the emergence of a large number of people of talent." Although only some words were altered, this warns people that in making a judgment on complicated things and making an overall appraisal of the work on a front, we should adhere to the stand of materialist dialectics and guard against the practice of approaching things as one-sided in terms of absolutes.

Since Deng Xiaoping advocated that "there should be no arbitrary meddling" in such matters as what to write and how to write for writers and artists, in improving its leadership over literature and art the CPC has always upheld this principle. Nevertheless, in the course of practice, some people are still not used to this new leadership method. Particularly when unhealthy tendencies or controversial works emerge, they all the more hope that the party and government will directly interfere and ban them, or that a particular leader will decide the rights and wrongs of the case by exploiting his prestige. They find the principle of "no arbitrary meddling" hard to understand.

When it comes to the principle of "no arbitrary meddling," another argument asserts that this way of doing things is not enough. In the course of soliciting opinions for the drafting of the "Some Views" document, some people said: Literature and art is literature

and art. It has nothing to do with politics. It is not that the party should "not arbitrarily meddle" or "interfere less or get less involved" in literature and art, but that it should not control it at all.

In view of these two radical views, the document "Some Views" includes a detailed and comprehensive exposition on how to strive to improve and strengthen the leadership of the CPC over literature and art. The document explicitly points out: The party's leadership over literature and art is one of political principles and political orientation. Leading party organizations should fully respect the characteristics and laws of literature and art and "interfere less or get less involved" in specific literature and art as well as academic questions. This is a great readjustment by the party in its literature and art policy, made on the basis of past experience. The document explains the reasons for so doing: "Whether a literary or artistic work is good or bad should be for the reading public, the audience, and literature and art circles to judge and for history to determine." So, does this mean that leaders cannot express their views? Certainly not. The document especially says: "Opinions of leaders as readers or audience may not be taken by writers and artists as orders that must be carried out." The strict separation of opinions of leaders from direct interference by the party and the government according to law is an emancipation of both leaders and literature and art workers. It is conducive to the creation of a climate of equality and harmony between leaders on the one hand and writers and artists on the other and to the healthy development of the literature and art cause.

One basic task of promoting literature and art is to implement the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" conscientiously and correctly. The general view of writers and artists is that the "double hundred" policy is good but its implementation is not. In the numerous factors plaguing us in correctly implementing the "double hundred" policy, apart from the leadership factor, there are still many problems of understanding demanding clarification, such as the problem of the relationship between the richness of content and the main theme of a work; that of the relationship between literature and art on the one hand and politics on the other; that of the relationship between freedom of creation or freedom of criticism on the one hand and the writer's sense of responsibility on the other; and that of the relationship between advocacy of the "two serves" [literature and art should serve the people and socialism] and the "double hundred" policy. The document "Some Views" tries hard to expound these problems in an overall and accurate way. For example, in expounding the relationship between the advocacy of the "two serves" and the "double hundred" policy, the document especially points out: "Without the advocacy of the 'two serves,' the 'double hundred' policy will lose its orientation, and in the absence of the latter, the former cannot be achieved. The two form an integral whole and cannot be separated. They should not be viewed as being mutually

antagonistic and exclusive. In discussing the various functions of literature and art, while opposing the ossified and vulgar sociological viewpoint, the document stresses that the literature and art cause is part and parcel of the building of socialist spiritual civilization. It also sets definite stipulations on what should be encouraged, be allowed, and be opposed, and on what should be banned. \*

In the process of drafting the document, to make the document more definitely and accurately expressed, more often than not the choice of a word would be pondered for 10 days or even a month. In discussing the need for literature and art to constantly meet the diversified and multilevel demands of the broad masses of people for a cultural life, the first draft read: "Our literature and art should hold high the banners of humanism, patriotism, and socialism." The order of humanism, patriotism, and socialism was set after considering the different levels of connotation of the three concepts. Those who accept the concept of patriotism do not necessarily accept that of socialism, and those who accept that of humanism are not necessarily patriots and socialists simultaneously. Humanism is a concept that covers a larger range of connotations. In the process of soliciting opinions, some people totally disagreed with the use of the term humanism. Others contended: The spirit of humanism should be propagated, but it is not appropriate to put it side by side with patriotism or socialism. After comparing various differing opinions, the drafting group held: Since we adhere to the "double hundred" policy and admit the multilevel functions of literature and art, we have no grounds for refusing works with humanism-related contents. To make the wording of the document acceptable to most writers and artists, through repeated revisions the final version thus read as follows: "Our literature and art should hold high the banners of patriotism and socialism, propagate the spirit of socialist humanism, and unremittingly struggle for the realization of modernization and the rejuvenation of the nation."

#### **What Is Important Is To Implement the Document in Real Earnest**

The publication in newspapers of the document "Some Views" evoked strong repercussions in literature and art circles. The general view was that the document was good and what was important was to implement it in real earnest. In the past 40 years, many good advocacies, good principles, and good policies were more often than not distorted in the course of implementation, or what was written in a document was one thing and what was translated into action was another. Consequently, good advocacies, good principles, and good policies became things on paper, things that appeared to exist but actually did not. They hoped that the current "Some Views" could become a programmatic document that would be observed conscientiously by all.

Tang Dacheng, secretary of the leading party group of the Chinese Writers Association, said: "Quite well written, this document is relatively comprehensive and conforms to the reality in literature and art circles. It is,

therefore, satisfactory. It is my belief that it will certainly be well received by the vast numbers of writers and artists." He said: For quite some time, writers and artists have hoped for a practical, long-term, and stable literature and art policy conducive to the stability and unity of the community of writers and artists. Since the founding of the PRC, with class struggle taken as the key link, writers and artists have always been the first to bear the brunt of all kinds of upheavals. That writers and artists have always been sensitively worried up to this day is not accidental. This document will help them eliminate the lingering fear and strengthen their sense of security. As he saw it, in the document, the definitions of the relationships between freedom of creation and the functions of literature and art and between advocacy of the "two serves" and the "double hundred" policy are comparatively scientific. Especially novel is the content of the section on improving the party's leadership over the literature and art cause. It is a new contribution made by the document. However, he maintained: The key to whether this document can really play a role lies in its implementation.

Well-known director Wu Tianming, manager of the Xian Film Studio, said: This document is a correct summation of the party's literature and art work, which is made from repeated past setbacks and tribulations and lessons written in the blood and tears of writers and artists. Therefore, it should be treasured. Wu Tianming hoped that these correct experiences and correct guidelines would not only be affirmed in the form of a party document but also protected through legislation.

Of course, not all writers and artists are satisfied with the document. Those who are satisfied do not nod their approval of all the expositions in the document. There are a myriad of things in the world, and people cannot have completely identical comments on a particular thing. This is a normal phenomenon.

It is not easy to formulate a document, but it is more difficult to put it into effect. There are still various differing views and understandings regarding any document, even if it is a good one. Nevertheless, writers and artists said: With this document, we already have a foundation for achieving a consensus of understanding. So long as the policy is stable and is satisfactorily implemented, it will surely have a far-reaching influence on the promotion of China's literature and art cause.

**Western Criticism of Abortion Policy Discussed**  
*HK2004091589 Beijing CHINA DAILY in English*  
20 Apr 89 p 4

["It Seems to Me" column by Huang Qing]

[Text] Human rights, alas, command everyone's attention in the modern world.

The slogan is so much in vogue today that there are specialized professionals whose job it is to peer over the shoulders of others to see if human rights are being violated.

Some human rights advocates in the West have recently singled out China with accusations of human rights abuses. Their attacks run the gamut from concern about the religious rights of their Chinese counterparts to political rights and even family planning.

They condemn China's family planning policy, demanding that abortion be stopped, no matter whether there is enough food for every fetus that is allowed to develop and be born.

I envy these human rights campaigners who can afford the luxury of talking about human rights while millions of people still have to worry about their basic human right to live in the resource-limited world of today.

As a Chinese living on the mainland, I doubt that most Chinese appreciate the concept of human rights in the Western rhetorical sense. But I do know that over 40,000 babies are born into this country everyday, to a population already at 1.1 billion.

Excess population growth is beginning to exclude Chinese from enjoying the basic human rights that their Western cousins take for granted.

Beijing is bursting at the seams. Shanghai is jam packed. Even smaller cities like Suzhou and Wuxi are now worrying about over-crowdedness and warning that measures will be taken to check immigration.

There are many other dimensions that must be taken into consideration when discussing human rights:

**Land.** Per capita arable land in China has been cut by half from 0.2 hectares in the early 1950s to 0.1 hectares now. Arable land has been decreasing by over 450,000 hectares a year while population has jumped 15 million annually in recent years. In 1981 alone, the population increased by 14 million. The figure alone is more than four times the population of New Zealand. Meanwhile, more than 1 million hectares of cultivated land was wiped out, an area equivalent to the entire cultivated land of Malaysia.

**Grain.** Although China has recorded grain production increases in the past several decades, per capita grain has risen by only 63 kilograms in 35 years. As the Chinese saying goes, while production goes up in the fields mouths increase at home.

**Housing.** In recent years, new housing has cropped up all over Beijing. But the city still has more than 400,000 families without adequate housing. Thanks to the family planning policy in some sense, Shanghai people can now enjoy over 6 square metres of living space per person

compared with 4 square metres 10 years ago. This improvement would have been impossible if Shanghai had lost control of its population management. Nevertheless, it is still not rare in the city that three generations of a family live together in one room.

**Transportation.** It is said that about 12 people must squeeze into an area of 1 square metre on a public bus during rush hour in Beijing. Westerners probably find this hard to believe. We Chinese find it hard too, except that I and my countryfolk see it and live it everyday.

**Education.** Among every 10,000 Chinese, there are only 13 lucky (enough) to receive tertiary education, a much lower figure compared with developing countries such as India. Although the government has pledged to increase the budget for education, there are already over 200 million illiterates in the country now.

**Employment.** Recent statistics put China's unemployment rate at 2 percent. Ten years ago there was no official report of unemployment. And 1989 began with many cities troubled by migrant job hunters.

Every one is complaining: it is difficult to go out, the streets are too crowded; it is difficult to get on a bus, buses are too crowded; it is difficult to go and see a doctor, hospitals are too crowded; it is difficult to go shopping, shops are too crowded. Every one is asking: Why are there so many Chinese? Who can answer this million dollar question and help solve our major irritant?

The West accuses China of violating human rights, with reference to our family planning policy, while we are compelled to adopt the policy to ensure that later generations can be guaranteed human rights as enjoyed in the West.

Can the country, with 7 percent of the world's arable land, support 23 percent of the world's population?

Even the centuries-old, treasured concept, "the more children people have, the more happiness they enjoy", is being discarded as Chinese increasingly become aware that excessive population growth will make it impossible for every one to substantially improve their living standards and really enjoy life as human beings are entitled to.

One can be proud of one's moral principles. But it seems to me that projecting them onto a different society with a different culture, and without any knowledge of the conditions in that society, is more an injustice to the people in question, than a service to morality.

**Experts Suggest Measures To Control Population**  
OW1704052189 Beijing XINHUA Domestic Service  
in Chinese 1244 GMT 13 Apr 89

["Local Broadcast News Service"]

[Text] Beijing, 13 Apr (XINHUA)— On the eve of the "1.1 Billion Population Day," a group of experts have raised a cry of warning on the peril and grim situation in



China's population growth. They have called for adopting more effective countermeasures and applying the principle of effective births in formulating practical measures to strictly control population increase. 6

According to the experts, thanks to the family planning work for nearly 2 decades, the average expected number of children born of Chinese women in their life has dropped from 5.8 in 1970 to 2.3 at present. All in all, the results are rather impressive. However, China still has a large population base. The population growth rate started to rise again in 1986. Since then, China's population has increased at about 15 million people annually. The population on mainland China may break 1.3 billion before the end of this century if no effective measures are taken to control population growth. The experts have appealed to the entire society to pay keen attention to this grim situation.

The following are the principal countermeasures suggested by the experts for controlling population growth:

- Large awards should be given to one-child families, including those with only one daughter, so that award-ees can dispel misgivings about their advanced age while living better off than those with more children.
- Severe penalties should be meted out for households with multiple births, including unplanned second births. They should be fined not only once, but also be given an annual fine equivalent to the average local expense for raising a child until he or she reaches the age of 16. Those who are party members should be expelled from the party, and cadres should be dismissed from their posts.
- Measures should be taken for allocating living quarters according to the number of people in urban areas and for distributing land according to the number of people. Making every household share an equal amount of public welfare funds in rural areas should be reformed and replaced with new regulations that will be conducive to the implementation of family planning policies.

**Control Over Population Growth Urged**  
*HK2004020889 Beijing RENMIN RIBAO*  
*in Chinese 14 Apr 89 p 5*

[Article by Shen Yimin (3088 4135 3046) and Hu Ying (5170 5391) of the Population Department of the State Statistics Bureau: "The Tendency of an Increasing Population Growth Rate Reappears in China"]

[Text] Over the past few years, China's population growth rate has begun to increase very rapidly. Since 1986, it has reached over 14 percent, a rise of 2-3 per thousand over the natural population growth rate recorded between 1983 and 1985. The absolute natural

population growth figure shows that the population increased by over 15 million in 1988, an increase equivalent to the entire population of Australia.

The results of a sample survey on population changes conducted by the State Statistics Bureau among some 505,800 people in 2,933 villages and residents' groups in 614 counties (cities and prefectures) across China, showed that in 1988 the birth rate was 20.7 per thousand, the death rate was 6.5 per thousand, and the natural population growth rate was 14.2 per thousand. By the end of 1988, China's population had already reached 1.09614 billion. This means that in 1988, the population on the Chinese mainland was only 3.86 million less than 1.1 billion. Considering that the number of people born in the first half of 1988 accounted for 43 percent of the total population growth in 1988, on average, the population increased by 37,000 every day (by approximately 26 every minute). It is estimated that by 14 April of 1989, the population will have reached 1.1 billion. In order to enable people of all nationalities in our country to pay close attention to the problem, the State Council has approved the designation of 14 April 1989 as our "1.1 Billion Population Day," upon which to unfold nationwide activities.

As we know, the United Nations designated 11 July 1987 as the world's "5 Billion Population Day" and unfolded world-wide activities to attract attention to the problem. Last year, the Asian Parliamentarians' Forum on Population and Development designated 1 July of 1988 as Asia's "3 Billion Population Day" to warn all Asian countries of the danger of a possible population explosion. Our country has the biggest population in the world; accounting for about 22 percent of the world's total and accounts for about 36 percent of the entire population of Asia. Therefore, holding activities on our "1.1 Billion Population Day" will not only enable us to pay great attention to the problem but will also significantly help us to stabilize the population of Asia and the rest of the world. Premier Li Peng pointed out in his Government Work Report delivered at the 2d Session of the 7th NPC: "The people's governments at all levels must fully understand the necessity and urgency of controlling population growth so as to combine controlling aggregate social demand with controlling population growth."

Statistics show that by 14 April of 1989, the population on the Chinese mainland will have reached 1.1 billion (China's population will have reached 1.126 billion by 14 April of 1989 with the population of Taiwan Province, Hong Kong, and Macao regions factored in). Compared with the population at the end of 1949, which stood at 540 million, over the past 40 years it has increased by 560 million, an increase of 104 percent. What is more noteworthy is that along with the expansion of our country's population base, the population is bound to increase more rapidly in the future. The population increased by a little over 100 million in the

more than 100 years between 1840 and 1949. However, according to the present population growth rate, it will increase by 100 million every 6-7 years in the future.

Our country's rapid population growth has already put pressure on economic development and the people's daily life. In the 37 years between 1952 and 1988 per capita income increased by only 4.8 percent although our country's national income achieved a ten-fold increase. During this period per capita grain increased by only 26 percent although total grain output was doubled. Per capita grain has experienced a decrease over the past few years. For example, per capita grain decreased from 394 kilograms in 1984 to 362 kilograms in 1988. Although our natural resources reserves still rank first in the world, our per capita natural resources are well below world standards. Furthermore, our per capita cultivated land has also decreased from 2.8 mu in the first few years after the founding of the PRC to 1.4 mu at present. Thus the contradiction between our country's population growth and resources has increasingly intensified.

It is expected that in the next 10 years or so, we will continue to stay in a childbirth peak period due to the inertial impact of our country's population growth. Moreover, the number of women reaching child-bearing age will increase greatly in the next 10 years. In 1988, our country had 300 million women reaching child-bearing age; it is estimated that by 1995, there will be 330 million; and by the year 2000, 340 million women. Under such circumstances, if we fail to exercise strict control over our country's population growth, it will undoubtedly continue to grow unabated at a rapid rate. This will not only jeopardize our economic prosperity at the end of this century but also bring about another child-birth peak period sometime between 2010 and 2020, thus bringing more pressure to bear on future generations. As the next 10 years will be an important period in population development, the task of controlling population growth will certainly be an arduous one.

**Marx, Lenin, Stalin Portraits Not To Appear 1 May**  
HK2004013889 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1040 GMT 19 Apr 89

[Report: "The Portrait of Stalin Will Not Be Placed in Tiananmen Square on the 1 May International Labor Day This Year"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Apr (ZHONGGUO TONGXUN SHE)—According to sources concerned, the huge portrait of Stalin in marshal's uniform will disappear from Tiananmen Square in Beijing beginning 1 May this year.

The Beijing authorities used to place the portrait of Stalin, together with those of Marx, Engels, and Lenin, on the two sides of Tiananmen Square on International Labor Day and National Day.

According to reliable sources, the CPC top leadership recently decided that henceforth, the huge portraits of Marx, Engels, Lenin, and Stalin will not be erected in Tiananmen Square on major festive occasions. The portrait of Mao Zedong will be kept permanently at the center of the Tiananmen rostrum, and the huge portrait of Sun Yat-sen will also be erected in Tiananmen Square on National Day every year.

**Life of Soong Ching Ling Exhibit Opens**  
OW1504215489 Beijing XINHUA in English  
1529 GMT 15 Apr 89

[Text] Nanjing, April 15 (XINHUA)—An exhibition on the life of Soong Ching Ling (Madame Sun Yat-sen) opened here today.

Jointly sponsored by the Soong Ching Ling Foundation and Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference, the exhibition displayed 200 photos and 51 pieces of cultural relics which show how Soong Ching Ling changed from a democrat to a communist.

The exhibition was displayed first in 1987 in Hainan Province's Wenchang County, from where her family came.

Soong Ching Ling used to study at Wesleyan College for Women in Macon, Georgia, United States. Together with her two other sisters (Ailing, Mme. H.H. Kung, and Meiling, Mme. Chiang Kai-shek). She later become honorary president of the People's Republic of China.

Soong was born on January 27, 1893 in Shanghai. She died of chronic lymphocytic leukemia at her residence in Beijing at 20:18 hours on May 29, 1981 at the age of 90. [dates as received]

**QIUSHI Table of Contents Reported**  
HK1704083889 Beijing RENMIN RIBAO in Chinese  
14 Apr 89 p 7

["Table of Contents for QIUSHI No. 8, 1989]

[Text] Excerpts of speeches at discussion meeting to mark the 70th anniversary of 4 May Movement by Zhou Gucheng, Luo Rongqu, Shang Xiaoyuan, He Xin, Huo Wancheng, Peng Ming, Gong Yuzhi, Liu Zhiqin, Wu Tingjia, Qin Xiaoying, Ye Xiaowen, Wu Xin, Zhao Hongzhou, Li Yongfeng, and Chen Jin: "The Spirit of the 4th May Movement and China's Modernization"

Article by Xia Yan: "Retrospects and Reflections of a Person Who Has the Experience—Answering QIUSHI Reporters' Questions on the 70th Anniversary of the 4th May Movement"

Article by Zhao Dongwan: "Promote Reform of the Personnel System, Manage Personnel Affairs According to the Legal System"

Article by Gu Yunchang: "Thoughts Concerning the Preliminary Work of the Public Servant System of China"

Article by Zhou Gucheng: "Views on History Study"

Article by Wang Zhihong and Xin Changxing: "On Comprehensively Linking the Total Amount of Wages of Localities, Departments, and Enterprises with Economic Results"

Article by Li Xiaobing: "Awakening of Rational Knowledge: Reviewing Cultural Discussions in China in Recent Years"

Article by Chen Yijun: "Transnational Corporations and 'Later Imperialism'—Exploring the Question of Post-War Development of the Third World Countries"

Article by Lin Jincheng: "How Does the Federal German Republic Control Commodity Prices?"

Excerpts of Article entitled: "Does the Problem of 'Consumption Inflation' Not Exist in Our Country?"

Article by Yi Yunwen: "A Picture With the Caption 'Gentleman on the Beam'"

Article by Shang Ziyong: "Non-Technical Factors of Wang Baoshan's Showing-up"

Article by Xu Hong: "The Strength of Tragedy While Value Is Being Destroyed—the Viewing Teleplay 'Yuan Chonghuan'"

Article by Li Dehe: "Sea Banquet"

## Economic & Agricultural

### JINGJI GUANLI on Shareholding System

#### Preconditions Outlined

HK2004042689 Beijing JINGJI GUANLI in Chinese No 2, 1989 pp 28-31

[Article by Mei Xunan (2734 6064 1344), edited by Yang Wenyu (2799 2429 3768): "Preconditions for Implementing the Shareholding System in State Enterprises"]

[Text] The implementation of the shareholding system in state enterprises is a question which has been put forward during the process in which economic structural reforms are being gradually deepened. The introduction of the shareholding system under socialist conditions is a completely new proposition although the shareholding system has a history of over 100 years as an economic organizational form.

Seen in terms of theoretical exploration and practice over the last few years, shareholding enterprises that have appeared in our country have been of two different types:

One is the cooperative economic model. It involves an alliance in terms of funds and labor, and has joint-share operation as its characteristic. It includes various types of enterprises established through joint investment by individuals, by enterprises, or by individuals and enterprises. They have the development of production as a basic goal and financing as their basic characteristic. At present, the majority of shareholding enterprises in our country are of this type.

The other is the shareholding system. This has the reform of the state ownership system as its goal. That is, the shareholding system is a target choice for transforming the existing ownership relationships of state enterprises to increase the vigor of state enterprises, to encourage enterprises to truly become commodity producers and operators which take their own decisions, and which are solely responsible for their own profits and losses. This shareholding system has the restructuring of state asset possession modes as its basic characteristic. At present, among our country's shareholding enterprises, only a small number are of this type and they are of an experimental nature. A model example is the Chongqing Jialing Group.

Some comrades believe that using the shareholding system to replace the current state assets possession modes will have the following results:

1. The separation of ownership rights and operational rights will be achieved, thereby restricting the state from directly interfering in enterprises. This will be beneficial to the separation of government and enterprise functions and will enable the enterprises to enjoy full decisionmaking power.

2. The state, collectives, individual staff, and workers will all be shareholders. It will be possible to closely link up the material interests of all investors and the staff and workers with the profits or losses of the enterprise through implementing the principle of "shared risks and shared benefits." This will give concrete form to ownership relationships and change the situation in which everybody is a master of the enterprise, but no one truly takes on responsibility for its growth or decline. This will result in the state, the collectives, and the individuals having a concern for the operational results of the enterprise, real motivation, and thereby will stimulate enterprises' vigor.

3. This will become a link for lateral economic alliances and will inject more vigor into the development of various types of lateral economic alliances. These alliances lay down a firmer base. The emergence and development of all things requires a certain material base and necessary basic conditions. I believe that, seen from the near-term and mid-term view of economic structural reform, there several preconditions are still lacking for the transformation of state asset possession modes through the shareholding system in order to achieve the goal of increasing the vigor of enterprises. Thus, at



present what we should put stress on exploring is not the introduction of the shareholding system for state enterprises, but the provision of the several preconditions necessary for this.

### **1. The Reform of the Modes By Which State Ownership Is Exercised**

The implementation of the shareholding system in state enterprises by having the staff and workers purchase shares, so that there is state, enterprise, and individual equity will not change the original state assets possession mode. This is because after the state enterprise implements the shareholding system, the equity of the existing assets which have been converted into shares will indisputably lie with the state. When funds are drawn in by offering shares to society, the vast majority of those who invest in the shares will be whole-people ownership units, and although collective ownership units will be able to have participatory shareholdings, the amounts will be very limited. Thus, after the enterprises implement the shareholding system, the state will still hold the overwhelming majority of the equity. If one is to say that this is a change, it is but a change in investment channels.

The state, as the owner of the assets, must have a concrete organ by which to exercise shareholder power. Before the two functions of government as administrative manager and assets owner are separated, the shareholder's function can only be exercised by an organ of the government. In this way, government intervention in enterprises will extend from outside the enterprises to the inside of enterprises. Thus, this model only provides a new mode for raising funds and cannot reduce government intervention in enterprises. Quite the reverse, because the government is the largest shareholder, the enterprises' operational situation will affect the government departments' immediate interests, and thus they will have more need and more reason to interfere with the production operations of enterprises.

If there is no separation of the government's administrative management function and assets ownership function, and there is purely a reliance on the shareholding form to promote lateral alliances, not only will no new vigor be injected into the lateral alliances, but obstacles to the deeper development of lateral alliances will be established. Everyone knows that our country's state assets are, in name, owned commonly by the whole people, but the exercise of the ownership rights belong to different departments or regions. This forms a situation in which means of production are owned by departments or regions. If we say that share enterprises can draw in share funds from all sectors of society, the major source of these funds can only be these different departments and regions. Funds sources apart from these are, in the shareholding enterprises at present, negligible. That is to say, the shareholders of share enterprises are still the administrative organs, and the various departments and various regions. Clearly, different departments and different regions are different interest entities, and they

proceed from their own interests. They will indeed seek to ensure that the activities of share enterprises conform with their own interests. In this way, in the original contradiction between government and enterprise powers, another level of contradiction between the powers of different shareholders will be added. Enterprises will change from having one "mother-in-law" to having several "mothers-in-law" all thinking in different ways, and the enterprises' decisionmaking power will be further restricted. Also, the bringing into play of the advantages of lateral alliances and development towards deeper levels will be affected.

Thus, purely relying on the shareholding system does not provide a way to change the state assets possession mode and will not achieve the anticipated results in separating government and enterprise functions, and in promoting lateral economic alliances. If we are to achieve these goals we need to change the current modes by which state ownership is exercised. That is, we need to separate the two roles of government as administrative manager and state assets manager, and establish state assets management organs to carry out the functions of state assets owner. At the same time, we also need to establish several state investment companies which have the operation of assets as their function and the expansion of state assets as their functional goal. There should be mutual competition between these companies to achieve the optimization of investment results. The investment companies could send representatives to participate in the boards of directors or management committees of enterprises, to represent state asset interests, and to supervise the distribution of enterprise benefits. They would also assist the investment company managers in terms of the size of investment to put into the enterprises in which they are located, but they would not have the power to interfere in enterprise operations. In this way, the problems of enterprise and government functions not being separated would be solved, and the contradictions between the various sides in lateral alliances resulting in each impeding the other would be resolved.

However, the reform of the modes by which state ownership is exercised will be a systematic process with multiple contents touching on very broad areas. It will, on a very basic level, shake the existing macroeconomic management situation, bring about a new distribution of interests and result in quite a number of administrative organs at various levels of the government losing their basis for continued existence. For these reasons, we cannot proceed too swiftly and must adopt a gradual method, so that we can slowly get closer to the ultimate goal. This process cannot be a short one and does not have any inevitable link with the implementation of the shareholding system. Even if the shareholding system is not implemented, the reform of the mode by which state ownership is exercised is still the trend of the times, and this will become the key link in realizing the separation of enterprise and government functions.

## 2. The Establishing of Ownership by Enterprises

What will the shareholding system rely on to raise the consciousness of the staff and workers in the enterprises that they are the main part of the enterprise? In small-scale enterprises, having the staff and workers invest in the enterprise through the purchase of shares may raise the degree of concern the staff and workers feel towards the production and operational situation of the enterprise. However, in large and medium-size enterprises will the issue of shares to the staff and workers have the same effect?

The total investment in large and medium-size enterprises is calculated in the hundreds of millions of yuan, or at least in tens of millions. However, the labor income of the staff and workers is, seen overall, not very high and it can only satisfy basic livelihood needs. The amount they have with which to purchase shares is extremely limited, and is nowhere near the value of the total assets of the enterprise. An amount of share funds of this magnitude is clearly not sufficient to form a common interest between the enterprise, and the staff and workers. Thus, the role of staff and workers purchasing individual shares in large and medium-size enterprises is not considered to be very great.

Strengthening the consciousness of staff and workers in seeing themselves as the main part of an enterprise requires that there major reliance be placed on establishing ownership by enterprises. Only when the ownership rights for some of the means of production in enterprises jointly belongs to the staff and workers, and the interests of the staff and workers are closely linked with the operational situation of the enterprise, will it be possible to strengthen the position of staff and workers as the main part of the enterprise, and to strengthen their consciousness of their position. Also, only thus will it be possible to strengthen the enthusiasm of the staff and workers for participating in production operations, and to inject new vitality and vigor into enterprises. This is the reason that those comrades who are advocating the implementation of the shareholding system stress that in share enterprises there should, apart from state shareholdings and individual shareholdings, also be enterprise shareholdings.

The regrettable thing is that the question of whether or not enterprises can have ownership over the means of production and whether or not they should have this is a theoretical problem which as yet remains unresolved. The continuing debate in this area, which has not allowed any final conclusion, has been reflected in state policies. On the one hand, the state has reaffirmed that the ownership of enterprises' own assets belongs to the state and, on the other hand, it has adopted the method of separate accounting for such assets, covertly recognizing ownership by the enterprises. If this contradictory situation is not changed, the basis of enterprise shareholding rights could be shaken at any time. In fact, even experimental units such as the Chongqing Jialing Group,

very few of which exist in the country, only achieve suppositional enterprise shareholding rights. It can be affirmed that if we do not establish ownership by enterprises, enterprise shares in share enterprises will only be a tree without roots or water without a source, and only constitute an empty shell. Seen from this angle, the theoretical issue which urgently requires research is not the state enterprise shareholding system, but the establishment of ownership by enterprises. Trying to talk about the shareholding system without first discussing the establishment of ownership by enterprises is turning things back to front.

## 3. The Professionalization of Factory Directors (Managers)

At present, the major avenue by which government organs engage in administrative intervention in large and medium-scale enterprises, apart from mandatory production plans, is a system by which the factory director (manager) is turned into an administrative official, and through this derived factory director (manager), the government appoints cadres. Share enterprises naturally implement a factory director responsibility system under the guidance of a board of directors. However, in a situation whereby the overwhelming majority of shareholding rights in a share enterprise are held by government organs, the government organs will inevitably exercise shareholding rights through the representatives they have sent to the boards of directors. These accredited representatives are natural administrative officials and their promotion or transfer, reward or disgrace are in the control of the government organs. They thus inevitably listen only to government orders. Also, as the state has the overwhelming majority of shareholding rights, the government departments will inevitably appear on the boards of directors in the capacity of chairman of the board (or at least as a deputy chairman of the board who holds the real power). Thus regardless of whether the director (manager) is appointed or engaged, it is inevitable that the major power will be held in the hands of accredited representatives, and the factory director (manager) will only be able to act in accordance with orders by government departments. Clearly, without the professionalization of the factory directors (managers), if reliance is placed solely in the share system, it will be very difficult to resolve the problem of government and enterprise functions not being separated. However, the professionalization of factory directors (managers) will be a complex process, involving the reform of the political system, the cadre system, and the educational system. The fostering and improvement of directors and managers will require a reliance on the mechanism of competition between skilled persons and this is not something which can be achieved in a morning or realized through the issue of an order.

## 4. The Establishment of a Share Market

A basic characteristic of the shareholding system is the risk of investment. Once a share is sold, it cannot be freely redeemed. The shares issued by the share enterprises which have appeared in our country are basically

of the "debenture" share type, where, on maturity, the principal is returned together with interest. This type of share loses the basic characteristic of investment risk, and thus does not really constitute a shareholding system in the true sense. If a real shareholding system is required, then shares in the real sense need to be issued. This then puts forward the issue of establishing a share trading market.

If shares are to truly fulfil their function of collecting dispersed funds in society, then conditions need to be provided to holders of shares so that they can sell or transfer the shares when they need the money. If this is not done, it will restrict the range over which shares can be issued and will not satisfy the fund-raising demands. If we want to achieve, through the shareholding system, the optimal distribution of resources within the whole society and guide the flow of funds, then there has to be a share trading market. In brief, without a share trading market there can be no shareholding system in the real sense. A distorted shareholding system will have no real beneficial significance for the reform of the economic structure.

The establishment of a fairly mature share trading market will be a complex and risky undertaking. We will need to rely on sorting out economic relationships and carrying out a series of reforms in terms of the specific forms of the ownership system, and in terms of the financial structure, the planning structure, and the investment structure.

A rational price system is the key. The shareholding system uses market mechanism to guide funds flow and to rationally distribute social resources. These functions can only be realized in a situation where price truly reflects the changes in the supply-demand relationship. Society requires true pricing information to influence the interest rate for funds and thereby to guide investment and organize supply.

If the price system is not rational, and the signals lose their validity, it will produce distortions in the investment structure, resulting in social production and social demand being seriously dislocated. The results of this will inevitably run counter to our anticipated goals.

Share prices are not determined by the individual actions of shareholders. Purchase and sale of shares can only rely on forecasting of share prices. This forecasting does not have and cannot have any full basis, and it is but speculation. Speaking objectively, the appearance of speculative activities is not an entirely bad thing. Speculation means grasping opportunities, and commodity exchange also has a speculative nature. If one is capable of speculation, it at least means that one has a mind for business. However, unlimited speculation is harmful to socioeconomic development. How are the speculative mentality and speculative activities to be curbed? To what degree are they to be controlled? These questions all need further study.

As far as ordinary people are concerned, share prices cannot be forecast, but as far as economic management departments are concerned, they can be, or can be partially forecast. How we are to stop those with inside knowledge from using their power to engage in share speculation is a topic which needs to be studied. Simply stipulating that certain members of society cannot participate in the share market will be ineffective. There is a need to establish a fairly complete defensive system. It will be difficult to even basically complete this task within the short-term, let alone improve the system or develop it to a mature stage.

The shareholding system requires a number of pieces of economic legislation to provide guarantees. These will include a share enterprise registration law, share issue management regulations, share dividend distribution management regulations, a share company law, a share company bankruptcy law, an economic transgression and crime law, and so on. The work which needs to be done in this area is quite heavy and demanding. There are many theoretical questions which need to be studied, many questions of understanding which need to be clarified, and these are certainly not things which can be done easily in one step.

Share trading markets are still in their infancy although these markets have begun to appear in some key places. These infant-stage share trading markets have a certain role to play in terms of collected-funds share enterprises. However, if these are to be developed into quite mature markets which serve the turning of state enterprises into share enterprises, then apart from needing a certain amount of time, there is also a need to resolve the problems mentioned above.

Unlike the establishment of collected-funds shareholding enterprises, we must have a number of quite mature preconditions if we want to restructure state asset possession modes through turning state enterprises into share enterprises, and stimulate the vigor and vitality of enterprises. We then need to effect some overall, rather than partial, changes in the economic movement mechanisms. Some of the conditions can be created in the short term through people's efforts, but the degree of change and scope of change required by some of the other conditions are so vast that they cannot be achieved within the short term. Thus, there needs to be an objective and sober understanding of the real significance of the shareholding system, and we must not rush headlong into mass action.

#### **'Doubts' Outlined**

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[Article by Wang Shaoshun (3769 4801 7311), edited by Lin Daojun (2651 6670 0689): "Several Doubts About the Shareholding System"]

[Text] Through 10 years of reform, our country's economic structure is now in the process of changing from the old system to the new. Enterprise reforms have



strengthened the vigor of enterprises by expanding enterprises' autonomy, replacing profit delivery by tax payment, and introducing the contract system. At present, 90 percent of the budgetary industrial enterprises throughout the country, and 95 percent of medium-size and large enterprises have instituted the contract system and achieved clear results. However, many problems remain. Some comrades believe that in a situation of reform of the old system, when property rights relationships are not clear and it is difficult to standardize contract base figures, it is easy for enterprises to be drawn into short-term activities, it is not easy to set rational rewards for contractors, it is difficult to draw in the mechanism of competition, and there is a clear transitional nature in these activities. Thus, they feel that the orientation of development should be a transition from the contract system to the shareholding system. Some comrades believe that the conditions for implementing the shareholding system in our country are already ripe and that it should be widely implemented. I believe that, in terms of our country's implementation of the shareholding system, at present we still lack a developed credit economy, a share market, legal guarantees, trained personnel and other such objective conditions. On the theoretical level there are also many differences. In particular, it is argued that we should not implement new systems every year and throw away the contract system, the role of which is just beginning to come into play. It is argued that such a system should not be suddenly swept away and swiftly replaced by the shareholding system. Some comrades believe that the roles of the shareholding system are very great, and they claim that: 1. It will allow the clarification of property rights; 2. It will increase the cohesiveness of the staff and workers with their enterprise; 3. It will allow the conversion of consumption funds to accumulation funds; 4. It will promote lateral alliances and this will be of benefit in the readjustment of the industrial structure. Claiming that the contract system has already achieved successful experiences in enterprises like the Shoudu Iron and Steel Works, the No 2 Vehicle Factory, and the Jiamusi Paper-making Factory, is a fully convincing and substantiated statement. However, the shareholding system has just begun experimentation. The above-mentioned roles of the shareholding system are but theoretical hypotheses which lack the authentication of practice and, even on the theoretical level, there are obvious loopholes. Actually, at present there are some ideas which appear correct but are not. On the surface they appear rational but because of China's special conditions, these ideas are very far from reality. Here we can do a little concrete analysis.

### 1. On the Property Rights Question

The separation of ownership and operating rights in the state economy is an idea which has been used in the economic structural reforms of the Soviet Union and Eastern Europe. The CPC Central Committee's decision on the reform of the economic structure also affirmed this

idea. However, in the separation of ownership and operating rights, a number of problems exist on both the theoretical and practical levels. For example, some countries have proposed "the state as owner and the labor collective as operator." This idea seems correct but is actually incorrect: If this is true and the working class, the laborers are but operators and not the owners, is it not the case that they are not the masters of the state? Does not the state thereby become a monopoly holder of the means of production standing above the people? In practice, if an enterprise only has operating rights and no ownership rights, who will the continually growing fixed assets and floating funds formed through profit retention belong to? Supposing that the ever-increasing assets do not belong to the enterprise, it will be difficult, from the economic mechanism angle, to guarantee increased accumulation and expanded reproduction of the enterprises, and very likely that enterprises will engage in short-term activities. Of course, this would not be beneficial to economic development or social progress. Thus, the question of a system of ownership by enterprises has appeared. Under such a system, following the passage of time, there will appear situations in which enterprises' own assets will exceed the state's assets. This will clearly destroy the model under which the state is the owner and the enterprise only has operating rights, not ownership rights. Strictly speaking, an enterprise only having operating rights and no ownership rights conflicts with the legal person concept. Article 37 of the General Provisions of the Civil Law of the PRC stipulates that a legal person should have the following conditions: 1. It should be established in accordance with the law. 2. It should possess the necessary property or funds. 3. It should possess its own name, organizational set-up, and place of operation. 4. It should be capable of assuming civil responsibilities. If the two rights are separated, the enterprises will not have ownership rights over the property and they will have no means to take on enterprise losses. Thus they will be responsible only for profits but not for losses, and it is difficult to thus say that they are capable of independently assuming civil responsibilities.

A question related to enterprise ownership rights is enterprise shareholdings. Scholars in China and abroad have different ideas on this question. The company laws of countries using the continental legal system all clearly stipulate that companies cannot hold shares in themselves. The establishment of enterprise shareholdings does not accord with international conventions, will go against the interests of investors, and will affect the purchase of shares by investors abroad and within society. If enterprise shareholdings are established, the factory director will be the legal person representative of an enterprise's shareholding. This then will produce the problem of who the factory director is representing. Apart from this, the factory director will also be the enterprise's shareholding ownership rights representative as well as the operator. The two rights will thereby be unified and this may weaken the appropriate restriction of the operator by the owners. In 1988, nearly all the experts from various countries, who comprised the

World Bank joint investigation group investigating China's reform of the enterprise system, pointed out that the policy choice of allowing enterprise shareholdings would lead to the Yugoslavian model, an unsuccessful road. The opposite view to this is that enterprise shareholdings are one of the major characteristics of the socialist shareholding system, a public ownership form which is more advanced than state ownership or collective ownership, and are a new public ownership form.

The major reason put forward by the advocates of a transition from the contract system to the shareholding system is that the shareholding system allows property rights to be made clear. They claim that this will be of benefit to the separation of ownership and operating rights, and will also be of benefit in separating the state's economic regulation and control function from its assets management function. The present problem is that the state assets management function can be carried out by state assets management bureaus, but there is still the question of the personification of state assets. Who is the representative of state assets? The cadres of the state assets management bureaus do not enjoy life tenure and, as the staff change, it is difficult for any single person to effectively become the representative of the owners of state asset ownership rights. In practice, the shareholding system also has the following problem points: 1. Within shareholding enterprises there should be a suitable public shareholding representative. Regardless of whether it is a state assets management bureau or another company, the public shareholding representative is always the biggest shareholder. With the state or its representative having the controlling shareholding, it can still control the activities of the enterprise and the enterprise is unable to shake free from administrative interference. There is thus not a great amount of difference between the share enterprise and the state enterprise before the implementation of the shareholding system. 2. The implementation of the shareholding system seems to be unable to overcome the problem of government and enterprise functions not being separated and, at times, this can even result in an increase in "mothers-in-law", as sometimes there will be central shareholders, local shareholders, and departmental shareholders. Also, their administrative intervention can change from long-distance control to close-quarters direct control. This will result in enterprises being even less able to exercise autonomy.

## **2. On the Question of the Cohesiveness of Staff and Workers**

Some comrades believe that through the implementation of the shareholding system, the staff and workers can be widely drawn to purchase shares, and thus in their relationship with the enterprise they will be "tied through shares and thus tied by their hearts". This will then increase the staff and workers' sense of responsibility as masters and increase their cohesiveness with the enterprise. Actually, this is just a hope. The workers only purchase a few shares and their main concern is the

income from the dividends. They do not concern themselves with the operational situation of the enterprise. Also, an individual's shares form a very small proportion of the total number of shares and the worker shareholders' right to speak and right to vote on enterprise operations is very small, and cannot play a decisive role. It is not certain that the shareholding system will be able to strengthen the staff and workers' sense of being masters or increase their enthusiasm for production, because generally it is allowable to transfer shares. When enterprise operations are not good, the staff and workers will be able to use the method of transferring their shares to free themselves of the enterprise. Also, the use of share dividends to motivate the staff and workers is not as directly effective as the use of bonuses. If an enterprise, through its poor operations, induces the staff and workers to transfer their shares, that will show that the share system not only has not increased the cohesiveness of the staff and workers, but has actually increased their disunity. At present, the shares which some enterprise have issued cannot be traded on the markets and regardless of whether the enterprises make profits or losses, the principal and dividends are guaranteed, and the interest rate is higher than that paid by the banks on deposits. This is essentially a method by which to allow shareholders to carve up the enterprise's profits, to reduce the state's accumulation, and to avoid bonus taxes. Strictly speaking, these are debentures and their issue actually constitutes a false shareholding system. As the staff and workers who purchase these shares are not taking on any risk, there is no way we can talk about them being "tied through shares and thus being tied through their hearts". In terms of the forms of distribution, the shareholding system can make the interpersonal relations in the enterprise more complex and more contradictory. This is because apart from distribution in accordance with work there is another distribution in accordance with funds. The contradictions will increase friction between those who have shares and those who do not, those who have many shares and those who have few, and between the old workers and the new. It is thus difficult to say that this system will increase workers' cohesiveness with their enterprise.

## **3. On the Issue of Changing Consumption Funds Into Accumulation Funds**

Our country follows a policy of low wages and high employment. The funds which staff, workers, and residents use to purchase shares are generally consumption funds. The use of consumption funds for investment may, in macroeconomic terms, result in proportional dislocation between accumulation and consumption. Also, the income of staff and workers is very low and the amount of shares they can purchase is limited. Thus it is difficult to collect a large volume of share funds and thereby turn medium-size and large state enterprises into share enterprises. This would not be worthwhile for the enterprises even if it was possible to raise the funds. This is because at present the share dividends and bonus dividends of the enterprises which are experimenting

with the shareholding system are in general higher than bank credit interest. Further, reducing the savings deposits in state banks in order to increase enterprises' share funds is not beneficial to the state.

Some comrades have pointed out that at present the total savings of urban and rural residents throughout the country is 360 billion yuan, while they have 150 billion yuan in cash on hand. They note that part of this 510 billion yuan could be used to purchase shares and thereby change consumption funds into production funds, and that this will play a major role in shifting the direction of money investment by urban and rural residents and in holding down inflation. In theory, this analysis seems to be reasonable, but it overlooks an important matter. That is, the majority of bank deposits have already been lent out as credit funds. If staff, workers and residents are now able to purchase shares which provide returns higher than deposit interest, it will greatly reduce the funds available in bank deposits. This will not be beneficial to the banks or the state financial administration, and may result in the economic order becoming more chaotic.

#### 4. On the Issue of Optimal Arrangement of Assets

Some comrades hold that with the implementation of the shareholding system, enterprises under different ownership systems will be able to form alliances with each other through participatory shareholdings between enterprises. Then production alliances and operational alliances will be raised to assets alliances, and this will promote the optimal arrangement of assets and the rational readjustment of the industrial structure.

On the logical level, it is quite acceptable to talk about promoting optimal arrangement through the shareholding system. However, the two policy goals sought by the shareholding system—increasing the cohesiveness of the staff and workers and optimal arrangement of assets cannot be unified. The optimal arrangement of assets has the socialization of shares as a precondition. However, as soon as we begin the socialization of shares, the staff and workers will not feel any responsibility to their enterprise, and there will be no cohesiveness among them. It can be seen that the two goals sought by the implementation of the shareholding system are contradictory.

The shareholding system has many other theoretical problems which await exploration. In actual life, as funds, the market, skilled personnel, and other conditions are not available; we cannot say that the conditions for implementing the shareholding system are ripe. The contract system is of course not the panacea for all ills, but we should not wishfully place all our hopes in the shareholding system, and blindly believe that "the introduction of shares will enliven things." Nothing is that easy in this world. Many comrades believe that we should not place the contract system and the shareholding system in contradistinction. The contract system is

an operational management system, while the shareholding system is a form of asset organization. The two can exist together and can be combined. The contract system has already begun to stimulate the vigor of enterprises, and it needs to be further coordinated, improved, deepened, and developed. The shareholding system is only now being experimented with. Theoretically speaking, it is the product of the high degree of development of a commodity economy and a credit economy, and is an effective form by which mankind organizes socialized large-scale production. Under the present conditions in our country, it can play a definite role in centralizing funds and in promoting lateral alliances. As to its role in making property rights clear, increasing the cohesiveness of staff and workers, and changing consumption funds into accumulation funds, there needs to be concrete research. Some of these claims require that we wait until the conditions are created, some are just theoretical assumptions and some require the affirmation of future practice. Our pressing task is to further develop experimental projects for the shareholding system, to formulate specific implementation plans, and to set down clear policy boundaries. We must studiously avoid following trends and being swayed too easily.

#### Reporters Detail Agricultural Production Problems *OW2004012989 Beijing XINHUA Domestic Service in Chinese 1248 GMT 15 Apr 89*

[By reporters Ma Chengguang and Pu Liye; "Local Broadcast News Service"]

[Text] Beijing, 15 Apr (XINHUA)—Amid calls by people of all sectors for paying greater attention to agricultural development, China's agricultural situation finally has made a turn for the better from the stagnation of the past few years. As spring returns, all localities have increased investment in agricultural production and particularly strengthened leadership over agricultural production. Acreage of grain crops has increased, and all departments concerned have been more concerned with and given greater support to agricultural production. These factors, in addition to improved weather conditions, have enabled summer grain and oil-bearing crops to develop. A bumper harvest is in sight. People now say that agriculture has begun to warm up.

However, according to what these reporters have learned from departments concerned of the central and local authorities, many obstructions and unfavorable factors remain in achieving a bumper agricultural harvest this year, especially in achieving a bumper harvest of summer crops.

One quarter of this year is gone, yet some localities are still just talking about, making plans for, and preparing report forms for boosting agricultural production. These localities have said much and done little. Many problems requiring urgent solutions are still being overshadowed by the slogan "Do Everything Possible To Achieve a



agricultural Bumper Harvest." Some localities with the ability to boost agricultural production still have not put in a fairly high percentage of their planned investment in agricultural production.

Although monopolization of the trade in means of agricultural production by government organs has narrowed the gap between supply and demand to a certain extent this year, it has not fundamentally solved the problem. Means of agricultural production in some localities are still short of supply and prices are high. These problems have given peasants a lot of trouble.

Peasants in some localities are still preoccupied by local authorities' unfulfilled promises. Some localities not only have not fulfilled their promises in the purchase of agricultural and sideline products last year, they probably, because of fund shortages, will be unable to fulfill their promises in the purchase of summer crops this year. Peasants are facing new promises which will not be honored while old promises have not been fulfilled. How can peasants tolerate all this?

Plant diseases and insect pests also pose threats to this year's agricultural production. According to the National Plant Protection Center of the Ministry of Agriculture, currently, spider mites and other wheat diseases have spread extensively in winter wheat areas, and work to prevent these diseases is tremendously arduous. Moreover, there has been a shortage of farm chemicals in these areas and these diseases have become particularly serious.

Departments concerned have urged all localities to quickly take effective measures to cope with the situation in order to fully materialize this year's bumper harvest plans, and to prevent the improving agricultural situation from going backward.

**Agricultural Experts Urge Promotion of Research**  
*OW2004003489 Beijing XINHUA in English*  
0736 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—A group of 90 agricultural experts jointly put forward an urgent message here recently, offering advice for problems in agricultural research and technology, the "PEOPLE'S DAILY" reported today.

They pointed out that a considerable number of agricultural research and education departments have been suffering from an inadequate supply of funds.

They said that the central government has decided to increase investment in agriculture, but it hasn't granted the necessary proportion of funds for agricultural research programs.

According to them, about 70 percent of graduates from some key agricultural universities have been unable to find jobs. Agricultural scientists engaged in popularizing new achievements cannot go to the countryside because of lack of money.

To solve these problems, they said, besides adopting proper measures to strengthen research work, the Ministry of Agriculture and other departments should keep a certain proportion of money earned by various commodity-production bases to help promote research and education. Local authorities should also devote part of their government-allocated funds for scientific research to agriculture research.

The experts also called for measures such as intensifying production, preventing pollution, and increasing scientific investment in cultivated land.

They suggested a national conference on agricultural scientific research be held at a proper time to work out an overall development plan.

**Figures on Farmers' Per Capita Income Released**  
*OW2004063789 Beijing XINHUA in English*  
1216 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—According to the State Statistical Bureau, Chinese farmers' annual per capita income last year reached an average 545 yuan, which was 82 yuan more than the year before.

With the factor of price rise deducted, the farmers' income rose by 6.3 percent.

Last year the state raised the prices of farm produce but rising costs still dogged farmers.

The proportion farmers earned from agriculture last year was lower than in the previous year, with the proportion earned from industry and services increased.

However, the survey shows that the income gaps between the eastern, middle and western Chinese farming regions are becoming wider, with farmers' incomes in east China increasing the fastest.

**Change in Diet Could Relieve Food Shortage**  
*OW2004050089 Beijing XINHUA in English*  
1536 GMT 19 Apr 89

[Text] Beijing, April 19 (XINHUA)—A leading Chinese agriculturist has suggested that adjusting diet may help to relieve China's long-term food shortage.

Lu Liangshu, chairman of the Chinese Agriculture Society, aired the view at a recent forum on the development of the country's agriculture.

Lu suggested that Chinese people should eat more animal meat and less grain than they usually do.

Traditionally grain is the staple of the Chinese diet.

Lu pointed out that although the grain yield has doubled in the past 40 years, the increase cannot catch up with the growth of the Chinese population, which reached 1.1 billion a few days ago.

Therefore, he said, some changes should be made in Chinese agriculture.

High-yield and medium-yield grain fields should be protected and low-yield fields should be reformed.

Crop structure should be changed from the present "grain and cash crops structure" to "grain, cash and fodder crops

structure", and fodder crops could represent 10 per cent of the total crops output by the end of the century.

Beans and peas are the main sources of protein for the Chinese people. If beans and peas could be grown on 10 million hectares and yield 2,250 kilograms per hectare by the year 2000, protein intake per person would amount to 70-75 grams a day.

Lu also suggested that animal protein and food sources be sought in waters, grassland and shores.

He said hilly lands should be used to grow food-bearing and oil-bearing plants, such as date, chestnut, walnuts, and olive and tea-oil trees.

### East Region

#### **Anhui People's Congress Standing Committee Meets** *OW1704114489 Hefei Anhui Provincial Service in Mandarin 1100 GMT 13 Apr 89*

[From the "Provincial Hookup" program]

[Text] The 10th meeting of the 7th Anhui Provincial People's Congress Standing Committee opened yesterday. Chairman Wang Guangyu presided over the meeting.

At the plenary session yesterday morning, Su Hua, deputy to the Seventh National People's Congress [NPC] and vice chairman of the Anhui Provincial People's Congress Standing Committee, relayed the guidelines of the Second Session of the Seventh NPC. He stressed: At present, we must seriously study and extensively publicize the guidelines of the NPC session and, keeping in mind Anhui's actual situation, implement the tasks set by the NPC in an all-around way. We must take the general interest into consideration, live plainly, work hard, take serious steps to slow down the excessive growth of consumption demands, adopt effective measures to control inflation, and ensure that this year's rate of price rises is notably lower than last year's. We must ensure bumper agricultural harvests by every possible means. In readjusting the production structure, we must continue to develop town and village enterprises and resource exploitation trades. We must ensure the growth of science and technology and education. We must channel more inputs into education and step up the training of qualified personnel in all fields. We must carry out family planning to control population growth. We must do a good job in all other areas in accordance with the state and provincial plan, including the improvement of the economic environment, the rectification of the economic order, and the development of production and foreign trade.

Vice Chairman Su Hua said: We must strengthen the building of socialist democracy and the socialist legal system, and strengthen the work of the standing committees of the local people's congresses at various levels. We must exercise our power in accordance with the law and bring into play our role as the organ of state power at the local level to promote the establishment of a new order of socialist commodity economy. We must actively popularize basic legal knowledge, strengthen social order, bring into play our role as deputies of the people, and make due contribution to the fulfillment of the tasks set by the NPC session.

(Zhu Yang), vice chairman of the Commission for Urban and Rural Commission under the Anhui Provincial People's Congress Standing Committee, explained the revision of the draft interim regulations on protecting the Huangshan scenic area.

The session heard and approved a report on the credentials of newly elected deputies, delivered by Chen Tingyuan, vice chairman of the provincial People's Congress Standing Committee and chairman of the Credentials Commission, and recognized the credentials of the nine deputies elected from Sixian and other counties.

Zheng Rui, Ying Yiquan, Kang Zhijie, Du Weiyou, Chen Tingyuan, Yang Jike, and Chen Tianren, vice chairmen of the provincial People's Congress Standing Committee, attended the session. Long Nian, vice governor; Wang Chengle, president of the Provincial Higher People's Court; and Feng Jianhua, chief procurator of the Provincial People's Procuratorate, attended the session as observers.

#### **Anhui Secretary Writes Development Book Preface** *OW1704004189 Hefei ANHUI RIBAO in Chinese 22 Feb 89 p 2*

[Preface written by Lu Rongjing for the book "Consultation and Proposals for Anhui's Development"]

[Text] Comrade Ou Yuanfang has been engaged in research on Anhui's economic restructuring and political system reform and has enthusiastically supported various reform decisions and measures during the 10 years since the 3d Plenary Session of the 11th CPC Central Committee. Comrade Yuanfang went to every area of Anhui Province to conduct surveys and studies; issued a series of theses, showing his clear-cut stand, in newspapers and magazines; and published a book entitled, "A Study of the Comprehensive Contract System in Anhui" in the course of rural reform. As reform spread from rural to urban areas, Comrade Yuanfang also shifted his research work to cities and expanded his field of research. His new book "Consultation and Proposals for Anhui's Development," which was published recently, is a result of research done by the writer in recent years. Under the guidance of the general policy of reform and opening to the outside world, the book pays close attention to realities in Anhui Province and extensively deals with the problems of Anhui's economic and social development since the founding of the People's Republic of China, especially since the 3d Plenary Session of the 11th CPC Central Committee, from various angles.

The provincial party committee and the provincial government decided to draw up the "Program of Strategies for Promoting Economic and Social Development in Anhui Province," and entrusted Comrades Su Hua and Yuanfang with the task in 1984. The moment they started their work on the project, they paid attention to adopting correct methods and a scientific attitude. Following the ideological line of being practical and realistic and implementing the policy of letting a hundred schools of thought contend, they conducted extensive discussions, drew on collective wisdom and absorbed all useful ideas, and reached a consensus of views of the majority of people. On the basis of conducting a systematic survey and study of the conditions in Anhui Province, including



those in the past and present, they objectively summed up experiences and lessons, both positive and negative, acquired by Anhui since the founding of the republic as the guiding principles for drawing up the "program." Practice has proven that this is a correct way to handle the task. Besides, they adopted the research method of modern systems engineering for formulation of the "program," and made a scientific prediction for Anhui's economic and social development by integrating quantitative with qualitative investigation. The formulation of the "program" on this basis embodied both democratic and scientific approaches. Comrade Yuanfang published a number of theses and speeches putting forward a number of important views on approaching the problems of Anhui's economic and social development from different angles in the course of his participation in drawing up the "Program." They are now compiled into a book, which will play a role in publicizing and implementing the "program."

Anhui Province has achieved great successes in undertaking socialist construction since the founding of the republic. However, judging from our province's conditions for development, we should achieve better development. Many comrades have a consensus on this point. They believe that one important factor affecting the development in our province is that compared with other provinces, Anhui has more big economic construction projects that were found to overlap each other and were scrapped over the past 30 years. Coupled with frequent changes in the leading group, Anhui's economic work lacks continuity and succession. As a result, Anhui has been committed to short-term economic activities and taken a roundabout course. Past experiences have taught us that we must, on the basis of scientific and democratic decisionmaking, explore ways in keeping with actual conditions in Anhui for the province's future development by summing up experiences and lessons. The 12th and 13th national party congresses have laid down strategies for national economic development. How Anhui should proceed from reality to present its own strategies for the development of the province while carrying out the strategies for national economic development is an extremely important issue. Since we began this work at an earlier date, we have already drawn up the "Program of Strategies for Promoting Economic and Social Development in Anhui Province." It was approved in principle by the standing committee of the provincial party committee after discussion. At the suggestion of the provincial party committee, after having solicited the opinions of the provincial CPPCC Committee, the provincial government submitted it to the Third Session of the Standing Committee of the Seventh Anhui Provincial People's Congress for approval in accordance with legislative procedure. It has been issued by the provincial government as a document to every locality across the province. The "program" will become a guiding document for organizing all people in the province to strive for Anhui's construction.

Of course, it does not mean that we are ensured of Anhui's future prosperity after we have the "program" of

strategies for provincial development. The important issue lies in how we implement the "program." More often than not, a number of correct decisions and policies, after they were proposed, were not implemented in real earnest in the history of Anhui's development since the founding of the republic. Some were pigeonholed and neglected; others were even resisted and criticized. It is difficult to propose a correct decision and policy, but it is usually more difficult to carry it out. In his article entitled, "What Should We Learn from the Coastal Areas," Comrade Yuanfang uses the method of contrast to analyze this problem. We must draw a lesson from past experiences and be determined to adhere to the correct policy to the end once it has been decided after scientific research and proof. We must make unremitting efforts to handle the task, and must not let individual factors shake our determination. Above all, we must not give up halfway. In addition, it is necessary for us to have a whole set of correct measures and working methods while we are carrying out strategic decisions and policies. We must follow the mass line, conduct typical experiments, gradually spread our experience, and make steady progress. We must keep abreast of the latest situation through uninterrupted research, sum up new experiences, and take new measures to see to the implementation and realization of strategic decisions and policies.

Being in an era of reform, we must persist in reform when we carry out strategic planning. The economy during the initial stage of socialism is a planned commodity economy; the productive forces during the initial stage of socialism are developed in the mechanism of a planned commodity economy. Whether or not we can promote a more rapid development of the productive forces in Anhui Province will depend on the extent of our adaptation of ideology, concepts, policies, and mechanism to the development of the commodity economy. The fact that Anhui has twice become a "serious disaster area" of the "left" forces, which ravaged the whole nation, coupled with the fact that it has a low level of industrialization, that its commodity economy is underdeveloped, and that the mentality of traditional economy, product economy, feudalism, and small-scale production still prevails in the province, causes Anhui to face an extremely difficult task of reform. Anhui should, above all, give priority to reform in carrying out the strategies for promoting development. The 3d Plenary Session of the 13th CPC Central Committee decided on the policy of "improving the economic environment, rectifying economic order, and comprehensively deepening reform," and outlined new requirements on reform for the purpose of establishing a new order of socialist commodity economy to further promote reform and opening to the outside world, as well as for the purpose of creating a good economic and social environment favorable to the development of productive forces. If we have such an environment, we shall have a dependable guarantee for our implementation of the development strategies. Therefore, it is necessary for us to unswervingly carry out the general policy decided by the CPC Central Committee on reform and opening to the outside world, pay close attention to integrating Anhui's realities, be steadfast in implementing

reform and promoting development, and approach our magnificent goal step by step.

Currently, a number of counties and cities and many industries in our province are paying attention to the study of strategies for promoting development of their own localities and departments. It shows that the level of leadership has improved. The book also studies various aspects of the issue of how to draw up strategies for promoting local development. It is also valuable for leaders at all levels to use as a reference to enable them to make decisions in a scientific and democratic way. Concerning Anhui's development, there are still many issues requiring further study. It is still necessary for us to carry out the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," encourage and recruit more comrades to take part in discussions, and give people a better understanding of the conditions in Anhui Province, as well as the problems facing our efforts to promote development, so that we may keep enriching and perfecting the "program" in the course of its implementation, and promote the development of socialist modernization in Anhui Province.

**Xiamen To Implement Enterprise Stock System**  
*HK1704121789 Beijing CEI Database in English*  
17 Apr 89

[Text] Xiamen (CEI)—Xiamen is to trial-implement the stock system in enterprises this year, according to an official of the city government.

The stock system will be tried in three different patterns in some selected industrial, commercial and financial setups. First, enterprises can collect funds by issuing shares to their staff and workers when they increase investment. Meanwhile, the existing property of these enterprises needs to be evaluated and converted into shares. Second, the stock system can be implemented in new, merged or extended enterprises and enterprise groups. Enterprises of these types can form limited liability companies after converting their investment into shares. Besides, large and medium-sized enterprises can organize incorporated companies by issuing stocks to the public.

The city is about to set up a special leading group in charge of the work and formulate relevant laws and regulations. It will select trial enterprises, entrust authoritative notary setups and evaluate the property of these enterprises.

**Jiangsu's Han Peixin Article in New Journal**  
*OW1804075589 Nanjing Jiangsu Provincial*  
*Service in Mandarin 1015 GMT 14 Apr 89*

[Text] (ZAIJING DAOBAO), a magazine dedicated to promoting Jiangsu's economic relations with foreign countries, formally began publication on 14 April. The magazine is sponsored by the Jiangsu China International Economic and Technical Cooperation Company.

Motivated by a desire to explore, seek truth, and contribute, the magazine will introduce information and knowledge from the outside world from various angles and levels and discuss theories from the outside world in a bid to promote economic and technical cooperation with foreign countries and speed up the development of an export-oriented economy in Jiangsu Province.

Leading comrades Han Peixin and Gu Xiulian wrote inscriptions for the inaugural issue of the magazine. Sun Jiazheng and Yang Yongyi attended and spoke at a forum on 14 April celebrating the magazine's inauguration.

**Mao Zhiyong Present at Jiangxi Farming Meeting**  
*OW1704114289 Nanchang Jiangxi Provincial Service*  
*in Mandarin 1100 GMT 12 Apr 89*

[From the "Provincial Hookup" program]

[Text] According to a report by our reporter (Zhou Junjie) and correspondent (Liu Fulong), an on-the-spot meeting of our province on spring sowing and agricultural development opened in Nanfeng County on 6 April and ended yesterday.

Participants in the meeting included prefectural commissioners, city mayors, and county heads in charge of agriculture; chairmen of agricultural and economic commissions; and directors of agricultural bureaus. They came from all prefectures and cities and from certain counties of the province. Responsible persons of the provincial departments concerned also attended the meeting. During the meeting period, the participants visited Gaoan, Dongxiang, Yujiang, and Nanfeng Counties to acquaint themselves with the work of agricultural production in these localities.

The meeting analyzed the current situation and studied and planned the work to be carried out in the rural areas. It called on all localities to do their best to ensure bumper harvest this year and achieve an all-around development of the rural economy.

Mao Zhiyong, secretary of the provincial party committee, and Huang Huang, vice governor of the province, addressed the meeting.

Mao Zhiyong stressed: With regard to the agricultural work this year, we should not only ensure a steady increase in the output of grain, cotton, and oil-bearing crops, but develop our rural economy in an all-around way as well. Party and government leaders at all levels should soberly analyze the current situation and take effective measures to solve various problems and ensure a bumper harvest.

Huang Huang said: All localities should further study the new agricultural development strategy and reinforce the work of agriculture. They should also promote this work to serve the purpose of checking inflation. Meanwhile,

they should explore new ways to solve China's agricultural problems and continue to affirm the strategic importance of agriculture. They should also conduct reformative work to change the traditional extensive-cultivation agriculture to a commodity agriculture characterized by a greater degree of economy, a higher percentage of output with commercial value, and the nature of large-scale agriculture. All localities should do their best to ensure an all-around bumper harvest this year. At present, further efforts should be made to implement the production plan and firmly grasp the work of spring farming. In addition, attention should be paid to the late rice crop. Materials required for sowing that crop should be made available at an early date.

In addition, Huang Huang asked all localities to gain a deeper understanding of the importance and urgency of agricultural development. He said: It is imperative to protect land according to law and make scientific use of the land. We should not only make better use of land in every conceivable way, but also develop mountain and water resources in a planned manner, while considering the need for ecological, social, and economic benefits. Natural resources should be used reasonably. To make agricultural development a real success, we should truly put the land resources to be developed in the hands of those who want to develop them, do bold and hard work to arrange for agricultural investment in advance, and vigorously act in accordance with the law of uneven development [bu ping heng fa zhan gui lu], with a view to gradually invigorating the economy of the whole province. We should also establish and perfect a new system of ownership of the developed resources and further increase administrative involvement in the developmental work. We should use administrative means to mobilize the masses and economic measures to develop production. With regard to major agricultural work from now on, it is imperative to make early preparations and try to take the initiative to do it.

#### Activities of Shanghai's Jiang Zemin Highlighted

##### Meets Advanced Collectives

OW1704100889 Shanghai City Service in Mandarin  
2300 GMT 12 Apr 89

[By reporter (Jiang Yiqing)]

[Excerpts] In accordance with the instruction of the Shanghai Municipal CPC Committee and the people's government, Shanghai has instituted changes to simplify activities for commending advanced collectives for promoting spiritual civilization. [passage omitted]

Yesterday afternoon, as part of the changed activities, Jiang Zemin, Zhu Rongji, Huang Ju, Wu Bangguo, Zeng Qinghong, Chen Zhili, Xie Lijuan, and other municipal party and government leaders met with 51 representatives of civilized units and advanced collectives attending a forum on the promotion of spiritual civilization.

Comrade Jiang Zemin said: This year we are changing the practice of past years by holding big rallies to commend the advanced collectives and individuals. This change is excellent.

He congratulated units which won the title of honor and called for the publicization of their deeds to promote the building of spiritual civilization in the whole municipality. [passage omitted]

The municipal party committee and government have decided to abolish the Shanghai Municipal Committee for Promoting Five Stresses, Four Beauties, and Three Loves, and to establish the Shanghai Municipal Committee for Promoting the Building of Spiritual Civilization, with Zeng Qinghong as the chairman and Xie Lijuan, Wang Chuanyou, and (Wu Qinghan) as vice chairmen.

##### Writes About Population Problem

OW1704063989 Shanghai City Service in Mandarin  
2300 GMT 13 Apr 89

[Text] (Gao Cheng) and (Wang Hongzeng), vice chairmen of the Shanghai Municipal Family Planning Commission, said recently: The Shanghai population situation brooks no optimism. In the next 5 years, the population will show an annual increase of 130,000, which is equal to the present population of Minhang District. The overall development plan for Shanghai, approved by the State Council, calls for the city to keep its population under 13.5 million in the year 2000. According to the plan, Shanghai's total population growth in the next 12 years must not exceed 880,000, an average annual increase of 73,300.

In each of the next 5 years, however, there will be 900,000 to 1 million women between the ages of 21-30, which are vigorous child-bearing years. In such a situation, the annual population growth will range from 130,000 to 160,000, even if it is strictly controlled and most couples have only 1 child. The annual net population growth will still be quite high after the total number of deaths and the population flow are factored in. This shows that it is a very arduous task to meet the planned target of population control in Shanghai.

In order to bring China's population problem to the attention of the people in Shanghai, the propaganda department of the municipal party committee and the municipal family planning commission have set 14 April as the 1.1 billion Population Propaganda Day. Huangpu District and other districts and counties will carry out population propaganda activities today. Leaders of the municipal party committee, the municipal People's Congress standing committee, the municipal government, and the municipal CPPCC Committee are very much concerned about the propaganda activities. Some of them wrote inscriptions to mark the occasion.



Jiang Zemin, secretary of the municipal party committee, wrote: Control population growth and improve the quality of population to benefit future generations.

Xie Xide, chairman of the municipal CPPCC Committee, said: Excessive population creates problems for society. I wholeheartedly wish the 1.1 billion Population Propaganda Day success.

### **Zhu Rongji Speaks at Shanghai People's Congress**

#### **Discusses Foreign Investment**

OW1804004889 Beijing XINHUA in English 1400 GMT  
17 Apr 89

[Text] Shanghai, April 17 (XINHUA)—Shanghai will closely link foreign cooperation with its readjustment of the economic structure, said the city's mayor, Zhu Rongji, here today.

He made the remark when delivering his report on the work of the city government at the Second Session of the Ninth Shanghai Municipal People's Congress, which opened today.

Last year, Shanghai approved 219 items of direct foreign investment, 90 percent of which were connected with industrial production. And the direct foreign investment utilized in 1988 reached 346 million U.S. dollars.

"Contracts already signed which involve foreign investment will be conscientiously carried out," the mayor pledged. "Our purpose in doing so is to let foreign businessmen invest and do business in Shanghai according to international practice".

In the meantime, the city is trying hard to improve its investment environment. For instance, last year the city set up a special working committee on foreign investment to simplify the approval procedures of foreign-invested items in Shanghai and promote work efficiency; 12 rules and regulations related to foreign trade and economic cooperation were formulated; and basic services were improved in the city's 3 economic and technological development zones.

Mayor Zhu said that this year the city government would give more guidance for the direction of foreign investment while inviting more foreign investors to start solely-foreign-funded enterprises in the city.

According to Zhu, the city's key construction projects for this year include foreign-invested items such as a color kinescope factory with a designed annual production capacity of 1 million units, a 300,000-ton ethylene project, a sewage plant, and subway development. These will be given priority, he assured.

During the current nationwide campaign to improve the economic environment and rectify the economic order, Shanghai has postponed or canceled 1,612 projects, saving 5 billion yuan-worth of investment.

More projects will be postponed or canceled this year, said the mayor.

According to Huang Ju, deputy mayor in charge of the city's industrial production, who was also attending the ongoing congress, the city government has already worked out a preliminary plan for adjusting the city's industrial structure in the next 2 years.

Huang said that this year the city plans to expand its gross domestic product by 7 percent and industrial output by 5 percent, and to have an annual revenue of 15.4 billion yuan.

#### **Sets Traffic Problem as Priority**

OW1804141489 Beijing XINHUA in English 1030 GMT  
18 Apr 89

[Text] Shanghai, April 18 (XINHUA)—The municipal government of Shanghai, China's largest city, has set specific new targets for improving the quality of its urban life.

Addressing the second session of the ninth municipal People's Congress, Mayor Zhu Rongji said here yesterday that the first priority of his administration is to untangle the city's horrendous traffic problems.

He said that efforts will be made to reduce the severe strain on bus routes and raise the overall quality of service on all of Shanghai's transit lines.

Obstacles will be cleared from the streets in the city's central districts and some sections of the streets will be widened, he said.

The mayor also promised to ensure an adequate supply of 29 daily necessities, including industrial products and major non-staple foods.

The city will speed up completion of newly-built apartment buildings and improve the service and management in finished highrise apartment buildings, he said.

The municipal government targets also involve the improvement of telephone service, electricity and cooking gas supplies and the reduction of sewage discharge and noise pollution.

**Shanghai Amends, Drafts Foreign Investment Laws**  
*OW1704202889 Beijing XINHUA in English*  
1528 GMT 17 Apr 89

[Text] Beijing, April 17 (XINHUA)—Shanghai is amending and drafting more than 30 laws and regulations to provide a better environment for foreign investors, a senior official said at a recent seminar on foreign investment and legislation.

According to the "CHINA DAILY", Luo Yinghui, deputy general secretary of the Shanghai Municipal People's Government said the current 28 legislative decrees and administrative regulations had helped bring about success for many foreign-funded enterprises.

Luo said the city's four best enterprises among the top 10 in the country were a special credit to Shanghai's years of efforts to abide by international practices and local laws.

The four firms, including the Shanghai Volkswagen Auto Company Ltd. and Shanghai United Woolen Co Ltd., were awarded best joint ventures on the basis of several economic indexes including total investment, profit ratio, and foreign exchange earnings, he said.

Luo urged people in legislative circles to take bold steps in the making of laws.

According to the paper, the seminar, the first of its kind in Shanghai, attracted more than 150 lawyers, researchers and government officials.

### North Region

**Wang Qun at Inner Mongolian CPPCC Session**  
*SK1904124589 Hohhot Inner Mongolia Regional*  
*Service in Mandarin 1030 GMT 18 Apr 89*

[Excerpts] The second session of the sixth Inner Mongolia Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] opened in Hohhot on 18 April. That day, the auditorium of the guest house of the Inner Mongolia Military District was permeated with a democratic, united, and harmonious atmosphere. More than 400 CPPCC members of various nationalities from various fronts of the region enthusiastically gathered under the same roof to commonly discuss the major issues of improving the economic environment, rectifying the economic order, deepening reform, and steadily developing the region's economy.

Present at the session were Shi Shengrong, chairman of the regional CPPCC Committee; Wu Ligeng, Han Ming, Li Shuyuan, Baoyanbatu, Yun Zhaoguang, Wang Chongren, Chen Jie, Tu Ke, Lan Qianfu, Yun Shufen, Qi Zhongyi, Wu Lan, and Zhang Shunzhen, vice chairmen of the regional CPPCC Committee; and He Lun, secretary general of the regional CPPCC Committee.

Attending the session to extend congratulations were leading comrades of the regional party, government, and military organizations, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Batubagen, Hao Xiushan, Shen Xinfu, Chen Bingyu, He Hao, Butegeqi, Zhang Hangong, Liu Zhenyi, Alatanaoqier, Zhao Zhihong, and Li Guibin; as well as Kong Fei, member of the Standing Committee of the National CPPCC Committee. These leading comrades were seated on the rostrum. Also attending the session were Zhou Junqiu, director of the United Front Work Department of the regional party committee; and responsible comrades of various democratic parties and pertinent departments under various league and city CPPCC committees.

Shi Shengrong, chairman of the regional CPPCC Committee presided over the session. [passage omitted]

Lan Qianfu, vice chairman of the regional CPPCC Committee, made a report on the work of the fifth Standing Committee of the regional CPPCC Committee. [passage omitted]

At the session, Baoyanbatu, vice chairman of the regional CPPCC Committee, made a report on the motions work since the convocation of the first session of the sixth regional CPPCC Committee.

**Tianjin Conference on Party Member Education**  
*SK1904134889 Tianjin City Service in Mandarin*  
2300 GMT 23 Mar 89

[Text] The municipal work conference on education of party members, cosponsored by the municipal discipline inspection commission and the organization and propaganda departments of the municipal party committee, concluded on 23 March after a 2-day session. The conference called for efforts to intensify education of party members in the process of improvement, rectification, and deepening of reform, and strive to comprehensively raise the quality of party members.

Wang Xudong, director of the organization department of the municipal party committee, relayed the guidelines of the national work conference on education of party members. Representatives from the party committees of 14 units and 6 individuals introduced their experiences in intensifying the education of party members in the process of reform and opening up and giving play to the role of party members as vanguards and exemplars. Xie Guoxiang, director of the propaganda department of the municipal party committee, gave a report on the municipality's situation in the education of party members and this year's tasks. Liu Jinfeng, deputy secretary of the municipal party committee, spoke on ways to further improve the education of party members. He stressed that effective measures should be adopted to improve the ideological and political quality of party members. Liu Jinfeng pointed out: We should pay attention to several links to strengthen leadership quality of party members. First, we should clearly define responsibilities

and make every level responsible for the work of the next lower level. Second, we should improve systems. This year the municipality should focus on establishing and improving two systems for the education of party members, namely, the system of democratic appraisal of party members, and the system of commending advanced party organizations, outstanding party members, and outstanding party affairs workers. Third, we should successfully coordinate our work. Fourth, we should improve our organs and stabilize the contingent of workers. Fifth, we should intensify theoretical study.

He also pointed out: We should pay particular attention to the study and education of party-member leading cadres. At present, we should stress the need to study well the basic Marxist theory and leading cadres should take the lead in maintaining honesty. We should strengthen appraisal of the study of party-member leading cadres and their efforts to set a good example.

Also attending the conference were municipal leading comrades, including Tan Shaowen, Lu Xuezheng, Huang Yanzhi, and Yang Huijie.

### Northeast Region

#### **Jilin 1989 Economic Development Plan Outlined** *SK1704034689 Changchun JILIN RIBAO in Chinese* 24 Mar 89 p 3

["Excerpts" of "Report on the Jilin Provincial 1989 National Economic and Social Development Plan," Delivered by Mi Fengjun, Director of the Provincial Planning and Economic Commission, at the Second Session of the Seventh Provincial People's Congress on 9 March 1989"]

[Text] 1. Fulfillment of the 1988 National Economic and Social Development Plan

The targets and various tasks defined in the plan were fulfilled fairly successfully thanks to the concerted efforts of the people throughout the province. The industrial and agricultural output value totaled 43.38 billion yuan, a 15-percent increase over the preceding year.

Agriculture was developed comprehensively, an all-time record was created in grain output, and diverse undertakings and township enterprises were developed fairly rapidly. Agricultural output value reached 9.29 billion yuan, an increase of 5.4 percent over the preceding year; grain output came to 16.93 billion kg, an all-time record; and the grain marketable rate, the per capita amount, the amount of corn transferred to outside the province, and the amount of corn exported all ranked first in the country continuously.

Industry grew in a sustained manner, and its economic results improved. The annual industrial output value was 34.09 billion yuan, an increase of 17.9 percent over the preceding year.

The pattern of fixed asset investment was improved, and key construction projects proceeded fairly rapidly. Fixed asset investment made by state-owned units totaled 6.92 billion yuan, of which 3.72 billion yuan was made in capital construction, and 2.54 billion yuan in technical transformation. Investment in capital construction projects concerning energy, communications, and important raw materials showed an increase of 25 percent over the preceding year. Construction of the 32 large and medium-sized projects covered in the state plan and the technical transformation projects that should be developed proceeded fairly rapidly.

The work to prune construction projects began in October last year. It had already been decided that 113 projects would be suspended and postponed, saving the investment by 360 million yuan. They included mainly office buildings, auditoriums, and hotels, the projects that should be suspended according to the state regulation, "six kinds of small" projects that consumed great amounts of energy, and duplicate projects.

The revenue increased, and revenue and expenditure were basically balanced. Calculated in terms of comparable standards, local revenues throughout the province rose by 14.9 percent over the preceding year. The expenditure of the province was 14.1 percent greater than in the preceding year. If calculated on the basis of the current financial system, and if the various subsidies and special allocations of the central authorities are added, the revenue and expenditure was basically balanced, with a small surplus.

Urban and rural markets were thriving, and foreign export trade grew. The province's commodity retail sales totaled 20.2 billion yuan, 24.1 percent more than the preceding year. The retail sales of the means of agricultural production rose by 22.4 percent over the preceding year. Transactions of trade fairs totaled 3.25 billion yuan, an increase of 34.4 percent.

Exports totaled \$560 million, 21.9 percent more than the preceding year. New progress was also achieved in foreign capital utilization.

Scientific and technological development plans were implemented successfully.

Last year the province developed 2,042 kinds of new products, which created 1.31 billion yuan in output value and 280 million yuan in profits and taxes, showing an increase of 2.7 and 6.8 percent respectively over the preceding year. A total of 33 kinds of products reached world standards, and 468 kinds of products reached advanced domestic standards. The province scored 476 scientific and technological achievements, and 341 achievements won the state-approved patents.



Education, public health, and other undertakings developed steadily in the process of reform. Ordinary schools of higher learning under the province recruited 11,179 students, and ordinary and specialized secondary schools recruited 17,711 students.

In public health, medical facilities were strengthened continually, and medical conditions were further improved. The number of hospital beds throughout the province reached 80,421, an increase of 2,800 over the preceding year. According to a rough calculation based on a sample population survey, the population at the end of last year was 23.731 million, and the natural growth was 12.7 per 1,000. In employment, the province placed 151,000 urban jobless people. Certain development was also achieved in culture, radio and television broadcasting, sports, tourism, and press and publication.

Construction of urban infrastructural facilities was strengthened continually, and the people's living conditions were improved.

The province's economic situation was good last year. However, many difficulties and problems that had to be solved urgently also existed in economic work.

The first were the excessive demand and the inordinately large price increase. The annual retail price index rose by 19.9 percent on the average, far exceeding the planned quota.

The second was the aggravated, strained supplies of energy resources, raw materials, transport facilities, funds, and foreign exchange.

The third was lax macromanagement. 2. Arrangements of the 1989 Plan Major targets of the 1989 plan are as follows:

The industrial and agricultural output value increases by 7.1 percent over last year; total fixed asset investment throughout society is reduced by 2.3 billion yuan from last year; a balance between revenue and expenditure is achieved; and the growth of the retail price index is notably lower than the 1988 level.

A. While striving to increase grain production, we should comprehensively develop the rural commodity economy. The agricultural output value is planned to increase by 4 percent over last year.

B. We should adjust the industrial structure, increase effective supply, and increase economic results. The industrial output value is planned to increase by 8 percent over last year. The production of 36 products and 200 key enterprises that can ensure market supplies and economic results should be attended to on a priority basis. Priority of fund, raw material, energy resource, and foreign exchange supplies should be given to these enterprises to increase effective supply and improve economic results.

C. We should resolutely scale down fixed asset investment and rationalize the investment pattern to ensure that key projects are completed and that completed projects are put into operation.

#### 1) Capital Construction

According to state arrangements, 19 large and medium-sized capital construction projects in our province are to be continued.

According to state arrangements, investment in capital construction raised independently by local state-owned units of our province will be reduced by 43 percent from last year's plan. The state has determined after assessment that our province's budgetary local investment, raised in a unified manner, will maintain the same level as last year's. In line with the state general requirement for pruning projects under construction and scaling down investment, no new projects will be started in principle. With regard to the projects that have been sorted out and approved for continuation, we should emphatically ensure those concerning agriculture, energy, communication, important raw materials, and education which can be completed and can yield returns within the year. Meanwhile, we should pay attention to arranging well the construction of urban infrastructural facilities and housing.

#### 2) Technical Transformation

According to state arrangements, the investment in technical transformation made by local state-owned units of our province will be reduced by 25 and 50.4 percent respectively from the plan and the actual amount of last year. Projects covered in the state plan that fall within local quotas should be arranged on a priority basis, and those exceeding local quotas will not be arranged in principle. With regard to the projects to be continued, arrangements should be made on a priority basis for those concerning coordinating the auto industry, petrochemical industry, scarce raw materials, conversion of grain, and the earning of foreign exchange through export, those that can help withdraw a great amount of currency from circulation, and those that can be completed and commissioned within this year which have been sorted out and deemed compatible with the industrial policy. Meanwhile, we should ensure that projects concerning import for which contracts have already been signed are built according to the contracts.

D. We should strive to increase revenue and economize on expenditure in order to guarantee a financial balance. According to the arrangements of the plan, revenue will increase by 8 percent over the actual amount of last year in terms of comparable standards; and expenditure will decline by 4.3 percent in terms of comparable standards.

E. We should stabilize urban and rural markets and strive to arrange the people's lives properly. This year, the province's commodity retail sales are planned to

increase by 4.7 percent over last year. To increase effective supply and organize market supplies well, we should actively and successfully arrange the supplies of consumer durables needed in the people's lives, and such scarce commodities as cotton knitwear, cloth, aluminum products, matches, soaps, detergents, notebooks for students, color television sets, and refrigerators.

F. We should further adjust the export commodity mix, expand foreign trade, and earn more foreign exchange. We should expand the export of industrial and mineral products, as well as intensively processed products, open up and occupy new markets, and improve our ability to earn foreign exchange through exports.

G. We should greatly develop science and technology and education, and carry out various social undertakings successfully. The plan arranges for 240 scientific and technological development projects, 70 "spark plan" projects, and 20 "torch plan" projects to be carried out. The popularization and application of 20 new technological items and the development of 100 new products will be conducted on a priority basis.

We should achieve a success in educational reform and facilitate a stable development of education.

We should accelerate the development of urban and rural medical undertakings.

We should do a good job in family planning to control population growth.

Corresponding arrangements have also been made for cultural, sports, radio and television broadcasting, and press and publication undertakings. We should successfully place urban jobless people through various channels.

3. Several Tasks That Should Be Carried Out, and Major Measures That Should Be Adopted To Fulfill the Plan

A. We should continue the work of improving the economic environment and rectifying the economic order.

We should strengthen price control, rectify price order, and control price hikes to make this year's price rises notably lower than last year's.

We should resolutely scale down fixed asset investment and continue to prune the projects under construction.

We should control the inordinately large increase in consumption funds.

We should rectify the order of circulation.

B. We should step up adjustment of the economic structure and rationalize the relationship between various economic sectors.

This year we should muster efforts to emphatically carry out adjustment of the production setup, product mix, and enterprise structure.

C. We should deepen enterprise reform and improve the mechanism for macro-regulation and control.

The focuses of this year's efforts to deepen enterprise reform are to continue to improve and develop the management contract system, to further implement the "enterprise law," to invite tenders in line with the "contract regulation," and to select the best managers through competition. We should strengthen and improve macro-regulation and control, and strive to make them more scientific and effective. We should establish and improve a system to exercise macroregulation and control over the national economy.

D. We should carry out an in-depth campaign to increase production, practice economy, increase revenue, and reduce expenditure.

We should ensure that the national economic and social development plan for 1989 is fulfilled.

E. We should strengthen the organization and coordination of industrial production and the service work for it.

#### **Jilin Holds Meeting on Spirit of NPC Session**

SK1904022689 Changchun Jilin Provincial  
Service in Mandarin 1030 GMT 15 Apr 89

[Text] On the morning of 15 April, the work committees of organs directly under the provincial party committee and the provincial people's government jointly sponsored a meeting to relay the spirit of the second session of the Seventh National People's Congress [NPC] Standing Committee.

Comrade Wang Zhongyu presided over the meeting, at which Comrade Huo Mingguang delivered a report.

In his report, Comrade Huo Mingguang described with concrete facts and personal understanding the second session as a gathering in which the spirit of democracy, openness, and of seeking truth from facts has been fully displayed; and in which both deputies' vigor and confidence have been enhanced, and the program of improving the environment, rectifying the order, and deepening the reform drive has been promoted.

In referring to implementing the spirit of the NPC session in his report, Comrade Huo Mingguang stated: A good job must be done in dealing with the problems concerning the understanding in the following three fields.

1. It is imperative to resolutely safeguard the leading authority of the CPC Central Committee; to resolutely safeguard the leading authority of the State Council in governmental work; to resolutely safeguard the authority of the law, discipline, and administrative discipline; to

realistically achieve in enforcing orders and prohibitions to the letter; and to resolutely safeguard the authority of the NPC and its Standing Committee. All of this is an important component part in safeguarding the authority of the central apparatus.

2. Efforts should be made to take the whole situation into consideration and to firmly foster the idea of putting local interest under the central one.

3. Efforts should be made to make ideological preparations for enduring difficult livelihoods. Governments at all levels and particularly leading cadres at all levels should perform their official duties honestly, wage arduous struggles, set examples in working industriously and practicing the economy, and resolutely overcome the waste and extravagant practices.

In concluding the meeting, Comrade Wang Zhongyu also delivered a speech in which he urged the participating comrades to resolutely implement the spirit of the second NPC session on the basis of earnestly studying or relaying the spirit and in line with their actual situation, to wholeheartedly improve the environment and rectify the order, to heighten their spirit, to enhance their confidence, to conduct their work in a down-to-earth manner, to work hard, to overcome the difficulties which have cropped up along the advancing road, and to do a good job in implementing the session's spirit so as to promote the progress of the province's programs of improving the environment, rectifying the order, and deepening the reform drive.

#### **'Emergency' Meeting on Jilin Drought Held**

SK1904013689 Changchun Jilin Provincial  
Service in Mandarin 1030 GMT 14 Apr 89

[Text] The provincial people's government recently held an emergency meeting to make arrangements for combating drought.

It was pointed out at the meeting that since this spring, localities throughout the province has seen very little rainfall and suffered high temperatures and that rivers across the province has less water than before, thus bringing about a serious drought situation. By 5 April, the acreage of the province's farmland for sowing major crops adversely affected by the drought reached 23.95 million mu. Some 3.37 million mu of paddy fields were short of water for farming. The extent of and the area of farmland affected by the drought have been somewhat unprecedented since the founding of the PRC. The volume of water accumulated in 12 large reservoirs throughout the province only reached 8.431 billion cubic meters, a 39.6 percent decrease over 1988. The water flow in all rivers and streams has shown a marked decrease and a large number of small streams have dried up. The level of underground water has also shown a marked decrease.

In order to ensure spring farming this year, governments at all levels have made drought-combating preparations since this spring. By 10 April, localities across the province mobilized 620,000 people and 52,000 large and small cars to build or repair 8,845 drought-combating facilities, to sink 4,307 large and small wells, to build 209 water reservation stations, and to set up 24,400 water tanks. Their effective measures have played a certain role in combating the drought this spring.

At the recent emergency meeting on combating the drought, the provincial people's government, after earnestly analyzing the current situation in the antidrought work, put forward the following demands: First, localities across the province should further enhance their leadership over the antidrought work, overcome the idea of slackness and of leaving things to chance, firmly foster the thinking of reaping a bumper harvest by combating the drought, and go into action immediately to make various drought-combating preparations in a down-to-earth manner. Second, efforts should be made to vigorously consolidate or repair the water conservancy facilities of combating drought and to adopt every possible ways and means to make best use of waste water, to dig for underground water, to expand water sources as much as possible, and to use the water in a planned, austere, and scientific way. Third, efforts should be made to adopt measures at every level and through every channel to raise funds for combating the drought by fully relying on the masses. Concluding, the provincial People's Government also urged the departments of water conservancy, financial affairs, material supply, agricultural construction, and [words indistinct] to vigorously and closely cooperate with each other to earnestly do a good job in dealing with the problems of technical guidance, material supply, and power supply and to provide effective conditions for combating the drought.

#### **'Mass Emulation Drive' Slated To Begin in Jilin**

SK1904021889 Changchun Jilin Provincial  
Service in Mandarin 1030 GMT 15 Apr 89

[Text] The provincial party committee and the provincial people's government have decided to launch a mass emulation drive of building the spiritual civilization among the cities of Changchun, Jilin, Siping, Liaoyuan, Tonghua, Hunjiang, Baicheng, and Yanji between April 1989 and April 1990. This is a dispatch by our reporter from the provincial work conference held in Changchun City on 15 April with regard to launching the mass emulation drive.

Attending and speaking at the work conference were Gu Changchun, deputy secretary of the provincial party committee, and Chen Xingyin, member of the provincial party standing committee and commander of the provincial Military District.

In launching the mass emulation drive among the eight cities, we will regard the work of consolidating public security and social order in a comprehensive way as a



breakthrough and regard various business and industries which are closely related to the masses on the fronts of commerce, supply and marketing, grain management, industry and commerce, tax affairs, banking affairs, culture, public health, public security, post and telecommunications, power supply, urban construction, communications, and railway transportation as focal points in conducting the consolidation. We will emphatically deal with some problems related to social morale, to which the masses show great concern and which can affect the tasks of improving the environment, rectifying the order, and of deepening the reform drive; and arouse cadres and the masses of various industries and trades and of social circles to actively plunge into the activities of building civilized units and cities and of being civilized citizens. Through our efforts, within 2 to 3 years, we must enable the public security situation and social order to achieve a stable turn for the better, various industries and trades to upgrade their service quality and to improve their professional ethics, the urban appearance to further achieve improvement, and the citizens' civilization quality to achieve greater improvement. Meanwhile, we must have urban areas bring along rural areas and various industries and trades bring along social circles so as to push forward the province's program of building the spiritual civilization into a new developing period and to create favorable conditions for deepening the reform drive in an overall way and establishing a new order of the commodity economy.

This mass emulation drive is sponsored by the Propaganda Department under the provincial party committee, the political department under the provincial Military District, and the provincial spiritual-civilization-construction office by jointly organizing an office in charge of the drive.

After concluding the drive, there will be three cities and fronts which will be appraised as outstanding in the drive and be conferred with honorary trophies. Advanced individuals who have emerged in the drive will be commended with honorary medals by their city or unit authorities.

#### **Sun Weiben at Heilongjiang Reform Conference**

SK1704022389 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 13 Apr 89

[Text] The provincial conference on deepening the reform of large and medium-sized enterprises throughout the province was held in Qiqihar city today. The conference pointed out that the rational flow of the essential production factors and the optimization of organizations constituted the third wave of enterprise reform. At the end of last year, Sun Weiben, secretary of the provincial party committee, and Ma Guoliang, member of the Standing Committee of the provincial party committee, mentioned the importance of grasping the rational flow of the essential production factors and

optimization of organization in an investigation report on Qiqihar city's efforts to invigorate enterprises, which greatly aroused the attention of the central leading comrades.

In order to deeply implement the guidelines of the 3d Plenary Session of the 13th CPC Central Committee, the provincial party committee and the provincial government cosponsored this conference with an aim to explore a new way to deepen the reform of large and medium-sized enterprises under the new situation of improving the economic environment and rectifying the economic order and to study how to promote the rational flow of the essential production factors, optimize organizations, and improve the leadership system of enterprises.

Attending this conference were the principal leaders of various prefectures, cities and the provincial-level departments concerned, plant directors and party committee secretaries of large and medium-sized enterprises, and the province's theoretical workers, totalling more than 250 persons.

Sun Weiben, secretary of the provincial party committee, presided over the conference. Shao Qihui, deputy secretary of the provincial party committee and provincial governor, delivered a speech at the conference. Ye Lin, Mo Wenxiang, and Zhang Chen, members of the Standing Committee of the National People's Congress, and leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Chinese People's Political Consultative Conference Committee, and the provincial Discipline Inspection Commission also attended the conference.

#### **Heilongjiang Official Discusses Soviet Trade**

HK1804113789 Beijing CEI Database in English  
18 Apr 89

[Text] Harbin (CEI)—The aim in trade with the Soviet Union this year is to sign fewer contracts to ensure that existing contracts are fulfilled, said Du Xianzhong, vice-governor of Heilongjiang Province, at a conference on foreign trade recently.

Du, who is responsible for trade said border trade in Heilongjiang Province last year made record progress. The value of signed import and export contracts reached 688 million Swiss francs and the value of goods delivered amounted to 196 million Swiss francs.

These figures are equal to the total for the past 15 years.

In the first quarter of this year, the value of signed import and export contracts reached 200 million Swiss francs, but goods actually delivered represented only 40 million Swiss francs.

The key to the improvement of goods delivery is solution of the transport problems, Du said.

**Heilongjiang Officials at Family Planning Rally**  
*SK1704031489 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 12 Apr 89*

[Excerpt] The population of our mainland will reach 1.1 billion on 14 April. The State Council decided to designate this day as our country's 1.1 Billion Population Day. To enhance the sense of urgency, responsibility, and hardship of the people of our country, the provincial party committee and government today held a radio-television mobilization rally on the propaganda activities on the 1.1 Billion Population Day.

Provincial Vice Governor Huang Feng presided over the rally. Provincial Governor Shao Qihui delivered a speech. He reminded people to fully understand the current rigorous situation in population, and called party committees and governments at various levels to strengthen leadership, unify thinking, and mobilize forces throughout society to successfully carry out family planning.

Shao Qihui said: Since the 3d plenary session of the 11th party Central Committee, 4.17 million fewer babies were born. However, like elsewhere in the country, our province is experiencing a birth peak. At present more than 70 percent of our province's population is aged 34 or below, and 43 percent of it is aged 20 or below, of which more than 7 million are women. In line with the state requirement for maintaining our province's total population within 40 million by the end of this century, the annual net increase of our population should be kept within 447,000. However, the current annual net increase of our population ranges approximately from 480,000 to 500,000. The task remains very arduous to maintain our population growth within the level as prescribed by the plan.

Shao Qihui said: Economic opening up and invigoration have increased the flow of population every year. Among the 1.1 million flowing population of our province, more than 90 percent are fertile, and the above-quota birthrate of them is very high. This poses a hidden danger in our province's population growth. Moreover, family planning has been developed unevenly in various localities of our province. Many of the localities are backward in this work, and some have not even paid attention to it.

Shao Qihui urged party committees and governments at various levels to conscientiously strengthen leadership, unswervingly implement the current family planning policy, and advocate late marriage and childbearing, few and sound birth, and one child for one married couple. Rural families which really have practical difficulties, including those which have only one girl child and want to have second birth, may be permitted to have a second birth after several years of intermission. However, the third birth will not be allowed under any circumstances. In areas of minority nationalities, we should also advocate family planning. [passage omitted]

**Quan Shuren at Liaoning Family Planning Rally**  
*SK1704032889 Shenyang Liaoning Provincial  
Service in Mandarin 2200 GMT 15 Apr 89*

[Text] On the morning of 15 April, the province and the city of Shenyang jointly sponsored a mobilization rally on arousing the people throughout the province to notice that the country's population reached 1.1 billion by 14 April 1989.

Attending the rally were more than 1,200 people including Quan Shuren, Wang Guangzhong, Xu Shaofu, Sun Qi, Wang Julu, Yu Xiling, Wang Chonglu, Ge Xifan, Zhang Zhiyuan, Lin Sheng, Wang Wenyuan, Li Ming, and Zhang Guoguang, leading comrades of the provincial and Shenyang City organs.

During the rally, Zhu Jiazhen, member of the provincial party standing committee and vice governor of the province, delivered a speech in which he stated: With the approval of the State Council, 14 April 1989 was designated as the PRC's 1.1 billion Population Day. Today's rally is aimed at arousing the broad masses of cadres and the people as well as various social circles to show concern to the current serious situation in population and to promote the further implementation of the family planning work.

In his speech Zhu Jiazhen pointed out: Over the past 20 years, the province has scored marked achievements in family planning work but we still have many problems in this regard. At present, there are still 15 percent of localities throughout the province, which are backward in conducting the family planning work. The provincial party committee has decided to urge the party and government organizations at all levels to separately perform their duties in realistically doing a good job in grasping the family planning work in line with the principle of separating administration work from party affairs. Principal leading personnel at all levels and personnel in charge of (?planning work) should put the family planning work on their important schedule. The party and government organizations should conduct inspection over the work done by their subordinate units in family planning activities. We should first conduct inspection over the work done by the leading personnel of localities which have been backward in family planning. Those who have had extra birth in violation of the regulations should be earnestly dealt with. Those who have neglected their duties in enforcing the family planning policy should be strictly punished. Efforts should be made to resolutely block early marriage and birth, to bring extra birth under effective control, and to enhance the management over the city's floating population.

During the rally, Wang Chonglu, member of the provincial party standing committee and director of the Propaganda Department, and responsible comrades of the provincial Trade Union Council, the provincial Woman's Federation, and the provincial CYL Committee also delivered speeches.

**New Airport Opens in Liaoning Capital**  
*OW1704072589 Beijing XINHUA in English*  
1438 GMT 16 Apr 89

[Text] Shenyang, April 16 (XINHUA)—The Taoxian airport, the biggest in northeast China, went into operation today in Shenyang, capital of Liaoning Province.

Eighteen kilometers away from the city proper, the airport covers 291 hectares. Its communication and navigation facilities are believed to be top-notch in the country or in the world.

Wang Yixuan, deputy director of the Civil Aviation Administration of Shenyang, said the airport can handle all types of large passenger airplanes.

Construction of the airport started in November 1986, involving a total investment of 300 million yuan.

With the completion of the new airport, an air route between Shenyang and Poli, a city of the Soviet Union, is expected to open in July, Wang said.

At present, Shenyang has 29 domestic air routes as well as air routes to Pyongyang, capital of the Democratic People's Republic of Korea, and Hong Kong.

**Northwest Region**

**Gansu's Li Ziqi at Crime Problem Meeting**  
*HK1504035789 Lanzhou Gansu Provincial Service*  
in Mandarin 0000 GMT 15 Apr 89

[Excerpts] The provincial party committee held a Standing Committee meeting yesterday afternoon that proposed that it is necessary to crack down further on crime, concentrate on straightening out social order, and strive for a marked turn for the better in social order. Secretary Li Ziqi presided.

The meeting pointed out that, generally speaking, social order is stable in Gansu. However, there are also many problems and the situation is grim. The main problem is that there has been a big increase in crime and security problems have worsened in some cities, along communications lines, and in some rural towns. Hence it is necessary to launch a vigorous concentrated drive with deterrent force to straighten out the situation throughout the province, with the focus on criminals who commit serious crime and economic crime. All localities, especially large and medium-sized cities, where social order is not good, criminal activities are rampant, and the masses' safety is threatened must launch a concentrate drive against crime. It is essential to strengthen out the social anticrime system and firm up comprehensive measures. [passage omitted]

The meeting stressed that the concentrated drive to crack down on crime and straighten out social order must be carried out under the unified leadership of the party

committee, and government at all levels. The political and legal departments must cooperate closely and fight a joint battle. Through this action, we should bring about a marked turn for the better in social order throughout the province.

Comrade Li Ziqi gave views on launching a concentrated crackdown on criminal gangs and hardcore elements, rooting out places where criminals hide themselves and conceal loot, and mobilizing the masses to report crime.

**Gansu Meeting Urges Action on Plant Diseases**  
*HK1504074389 Lanzhou Gansu Provincial Service*  
in Mandarin 0000 GMT 15 Apr 89

[Excerpts] An urgent meeting on preventing and dealing with plant diseases and insect pests in the province's winter wheat areas said that this work should be grasped as the priority task in field management in these areas. The meeting, convened by the provincial government, seriously analyzed the current agricultural situation and discussed and formulated countermeasures against plant diseases and insect pests.

The meeting held that the province's agricultural situation is very good. However, the weather during the winter and spring has been favorable for outbreaks of various diseases and pests. At present stripe rust, powdery mildew, and red spiders have appeared over large areas of winter wheat in southern Gansu, Tianshui, and elsewhere. Other diseases and pests have also appeared in varying degrees. Hence, taking action on diseases and pests is the key to achieving a bumper summer grain harvest.

The meeting called on all localities to get urgently mobilized and all sectors and trades to cooperate closely. [passage omitted] In order to solve the urgent problem of funds for dealing with diseases and pests in the winter wheat areas, the provincial government has decided to allocate 400,000 yuan as revolving funds. Beginning today, the provincial planning commission is assigning 500 tons of gasoline a year to be specifically used in combating crop diseases and pests.

Vice Governor Lu Ming spoke at the meeting.

**Ningxia Hui Region Produces Record 1988 Harvest**  
*OW1504015289 Beijing XINHUA in English*  
1042 GMT 14 Apr 89

[Text] Yinchuan, April 14 (XINHUA)—While the national grain production dropped by 2.2 percent in 1988, the Ningxia Hui Autonomous Region in northwest China got a record harvest last year.

The region reaped 1.6 million tons of grain in 1988, 18.7 percent more than 1987 and 6.9 percent over the previous record in 1984, according to Zhang Lizhi, head of the regional agriculture department.



The good harvest is an outcome of more input into agriculture from governments at all levels in the region, Zhang said in an interview with XINHUA today.

Between January and September last year, a total of 49.5 million yuan (about 13 million U.S. dollars) was allocated for agricultural production, representing a three percent increase over the previous year.

In addition, local banks extended 220 million yuan (59.5 million U.S. dollars) of loans to agricultural production, a 30 percent increase over the previous year, according to Zhang.

Another factor that contributed to the good harvest, Zhang said, is that the regional government paid due attention to the popularization of agricultural science and technology. Last year, 1,580 scientists went to the rural areas to offer various technical services.

Meanwhile, more farmers were mobilized to revamp and build irrigation projects, bringing an additional 380,000 hectares of farmland under irrigation.

Last year, a total of 66 million yuan (17.8 million U.S. dollars) was spent on renovating and building water conservation projects, Zhang said.

**Ningxia Cultivates Economic Ties With Coast**  
*HK1404143789 Beijing CEI Database in English*  
14 Apr 89

[Text] Yinchuan (CEI)—The Ningxia Hui Autonomous Region in the interior part of China, with the aim of constructing an export-oriented economic structure, has tried since the beginning of this year to strengthen economic ties with coastal open areas.

The effort marks a new approach explored by the region for the expansion of foreign trade.

In the past few years, Ningxia has made successes in this regard, resulting in the establishment of a number of joint ventures and cooperative enterprises in the coastal areas, 11 alone in the Shenzhen Special Economic Zone.

In Shenzhen, eight enterprises have been opened or put into production. They registered last year over 20 million yuan in production value, 8.9 million yuan in business turnover, and 2.4 million U.S. dollars in export earnings.

Aiming to utilize the advantages of the coastal open cities, ningxia plans to cooperate with the special economic zones in cooperative production and processing of its agricultural, animal husbandry and side-line products and native produce such as fur, leather, wool, cashmere, mountain products, medicinal herbs, beverages and foodstuffs.

It also hopes to supply some of its raw materials and semi-processed industrial commodities to the jointly-financed production enterprises in the coastal areas; to cooperate with foreign businesses and manufacturers in the coastal areas to equip the locally-produced machine tools and machinery with electrical control devices for export; and to establish in the coastal areas new enterprises that combine research and manufacturing work to develop technology-intensive products with Ningxia's own technical personnel.

The autonomous region this year will form a high-level foreign trade directing group and an authoritative organization that oversees the whole region's foreign economic relations. at the same time it will formulate preferential policies for the utilization of foreign financial resources, improve local investment environment and attract foreign businesses to invest in the region.

**Qinghai Rally Stresses Family Planning**  
*HK1504052589 Xining Qinghai Provincial*  
*Service in Mandarin 1400 GMT 14 Apr 89*

[Excerpt] A provincial mobilization rally held this morning for the 1.1 billion population day pointed out that excessively fast population growth has caused many problems for the development of Qinghai's economy and of various undertakings. The party committees and government at all levels must strengthen their population consciousness and concept; while grasping economic construction, they must put the work of controlling population growth and improving population quality in an important place on their agenda.

Vice Governor Bainma Dandzin spoke at the gathering. He said that the characteristic of population development in Qinghai is rapid growth unsuited to economic development and the ecological environment. This has aggravated the contradiction between population on the one hand and farmland and grain on the other. It is also constraining the province's economic and social development. It has also put tremendous pressure on employment. At present there are 59,000 surplus laborers in the province's urban areas requiring job placement. Surplus laborers in the rural areas account for 25 to 30 percent of the total labor force there.

Bainma Dandzin pointed out that although Qinghai started to take steps in 1971 to control population growth, with the result that 500,000 fewer babies than would normally have been expected were born from 1971 to 1988, we cannot be optimistic over our present population situation. Objectively, there is a vast number of people of child-bearing age; at the same time, in many places, especially in the rural areas, due to backward economy and culture and the profound influence of traditional concepts, phenomena of having more children than allowed and marrying and bearing children at an early age are rather serious. As a result there are over 30,000 births a year in the province.

He stressed that it is essential to make long-term and arduous efforts to solve the problem of excessively fast population growth and unswervingly grasp family planning work. [passage omitted]

#### **Shaanxi Calls for Publicizing Demonstration Rules**

*HK1904020389 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 18 Apr 89*

[Text] The Shaanxi provincial government held a telephone conference on 18 April to mobilize and make arrangements for propaganda and education in the provisional regulations on processions and demonstrations in Xian, approved by the provincial People's Congress Standing Committee; the provincial government's provisional regulations on handling letters and visits from the masses; and three provisions regarding the regulations on punishment for violations of public order.

The provincial government proposed that this propaganda and education must be closely linked to reality and seriously resolve the existing problems. The government at all levels and the departments and units must promptly study and resolve old, great, and longstanding problems hampering stability and unity and disputes that are prone to arouse trouble among the masses, to avoid leaving them unsolved for a long time. At the same time it is necessary to investigate and punish according to law violations of law committed by people who, ignoring advice, incite the masses to raise an unreasonable uproar, disrupt social order, sabotage stability and unity, and hamper the work of improvement, rectification, and deepening the reforms.

#### **Shaanxi Governor Views Population Problem**

*HK1604023789 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 15 Apr 89*

[Excerpts] Yesterday was China's 1.1 billion population day. The provincial party committee and government invited population experts, professors, representatives of grass-roots family planning cadres, and responsible comrades of departments concerned, totalling 100 persons, to a forum to discuss the great business of population control.

Governor Hou Zongbin made an important speech. He said that Shaanxi has scored some success in family planning since the 3d Plenary Session of the 11th CPC Central Committee, and 2.8 million fewer babies have been born during the past 10 years than would normally have been expected. However, in recent years population growth has appeared completely or partially out of control due to the fact that leadership has been relaxed and policies have fluctuated. Last year the natural population growth rate was as high as 14.9 per 1,000, and the province has failed to fulfill its population control plans for 3 successive years. Shaanxi's population has now risen from 13 million in the early post-liberation period to 31.35 million, while farmland has shrunk from 65.7 million mu to 53.26 million mu. Average area of farmland per capita

has dropped from 5.5 mu to 1.7 mu. If the present birth rate is maintained, the province will have 37 million people by the end of the century, and farmland per capita will be only about 1 mu. By that time the situation in population, resources, environment, grain and so on will be even more grim. [passage omitted]

Hou Zongbin demanded that the leaders at all levels and all the people regard the 1.1 billion population day as an alarm bell and a new start in population control, and summon up resolve to reduce the momentum of excessively rapid population growth. The guiding idea in family planning work in the next few years is to strengthen leadership, stabilize the policies, focus on the rural areas, take aim at the practice of having more children than allowed, tackle the problem in a comprehensive way, and transform the backward areas. The near-term goal is to gradually reduce the natural population growth rate each year, lowering it to 12 per 1,000 by 1992, with the total population kept below 33 million. [passage omitted]

#### **Shaanxi To Straighten Out Capital Goods Market**

*HK1704022789 Xian Shaanxi Provincial Service in Mandarin 2330 GMT Apr 89*

[Text] Shaanxi has started to screen and straighten out the capital goods market. The provincial material supply bureau and the provincial industry and commerce administrative bureau recently issued a joint circular stipulating that the work of screening and straightening out units handling important capital goods must be completed by the end of June.

The focal point in this work is to crack down on illegal operations and stabilize the capital goods market. The work is aimed at units handling 15 major capital goods including motor vehicles, steel, heavy oil, timber, and rubber. In accordance with the provincial government's regulations, the only units allowed to handle these 15 major capital goods are state-owned commerce, supply and marketing, and foreign trade enterprises and organs, and production enterprises approved and commissioned by the (?industrial and commercial) and material supply departments. Units and individuals who are not qualified to handle these goods must immediately cease to do so, and their stockpiles must be cleared out within 2 months.

#### **Xinjiang Adopts Drought Relief Measures**

*HK1704052889 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 13 Apr 89*

[Excerpt] General offices of the regional party committee and of the regional people's government have transmitted some emergency measures proposed by regional party committee Deputy Secretary Li Shoushan to combat droughts, and prevent natural disasters for a bumper harvest, calling on all local authorities to implement these measures in line with local conditions.

The emergency measures include six points. First, all localities must expedite spring sowing, ensure the quality of spring sowing and take all precautions against natural calamities. Second, all localities must shift the focus of their work without delay to the central task of combating droughts after the completion of spring sowing, and form a network of drought-combat teams to carry out work as early as possible. Third, water resources departments at various levels must pay firm attention to the work of irrigating the fields in rush, retaining river water, channeling water into the fields, and pumping water from wells and strengthen drought-relief measures to improve the efficiency of irrigation. Fourth, power supply departments and petroleum companies should not cut off the power supply for drought combat and reduce the diesel supply for agricultural use during the busy season in farming. [passage omitted]

**Xinjiang Supplies Raw Materials to Interior**  
*OW1704073589 Beijing XINHUA in English*  
0647 GMT 17 Apr 89

[Text] Urumqi, April 17 (XINHUA)—The Xinjiang Uygur Autonomous Region, in northwest China, has been sending badly-needed raw materials to China's interior.

In the first quarter of the year, the region sent 7.68 million bbl of crude oil, 906,000 tons of coal and 444,000 tons of raw salt to the interior.

Xinjiang is rich in natural resources. The practice of supplying the interior started five years ago.

Last year, 70 percent of the region's cotton was sold to Shanghai, Xi'an and Beijing and to a number of provinces. Cotton was also exported.

The region has stepped up salt production to alleviate shortages throughout China. Last year, about half the

region's salt production of 2.03 million tons was sold to other provinces.

**Gold Rush Persists in Xinjiang Despite Ban**  
*OW1804194789 Beijing XINHUA in English*  
0801 GMT 18 Apr 89

[Text] Urumqi, April 18 (XINHUA)—Despite last year's government regulations forbidding individuals to mine gold, there have been tens of thousands of farmers pouring into remote Xinjiang from east and central China this spring to prospect for gold.

The Xinjiang Uygur Autonomous Region in northwest China is the country's major gold producer. Its gold resources mainly lie in the Altai, Tianshan and Kunlun mountain areas.

In the past few years, the Chinese Government has adopted a number of policies, encouraging individuals to join state and collectively-run enterprises to develop mineral resources. As a result, each year saw a gold rush.

After obtaining licenses from local governments, these gold prospectors, mostly from Yunnan, Guizhou, Sichuan, Zhejiang, Hunan and Gansu Provinces, use primitive tools to pan for gold in river beds and mine veins.

Their efforts have not only enriched their own pockets, but also increased the regional gold output from 5,000 ounces to more than 20,000 ounces a year.

However, this disorganized gold rush has caused great damage to gold resources, forests and grasslands. And about 30 percent of the output evades official channels.

Observers here say that, in spite of official efforts to prevent individuals from mining gold haphazardly, the gold rush is far from over. The reason is that the region plans to raise its gold output to 100,000 ounces in seven years and the country cannot afford to organize this on its own.



**New Procedures for Foreign Visa Applications**  
*OW1804051389 Taipei CNA in English 0242 GMT  
18 Apr 89*

[Text] Taipei, April 18 (CNA)—Beginning from June this year, citizens of the Republic of China [ROC] can obtain British visas for trips to the United Kingdom at the Taipei office of the Anglo-Taiwan Trade Committee instead of transferring the applications to Hong Kong. Lien Chan, minister of foreign affairs, said Monday.

Lien made the announcement at a session of the Legislative Yuan's Overseas Chinese Affairs Committee while reporting on government measures to protect Overseas Chinese.

He pointed out that the past practice to apply to the Hong Kong Immigration Bureau in Hong Kong for their British visas has been both time consuming and inconvenient.

After repeated Chinese requests, the British Government finally decided to follow the examples of France, West Germany and Spain and to authorize the Anglo-Taiwan Trade Committee in Taipei to handle the visa applications beginning from June this year.

Furthermore, Chinese in Taiwan can also apply directly to the Panama Embassy in Taipei for visas instead of telegraphing to Panama to gain authorization from Panama, Lien said.

Lien added that the Foreign Ministry of Thailand has also authorized its 63 offices abroad to issue the special permit for Chinese from ROC for a 90-day stay in Thailand.

**News Coverage, Filming on Mainland Permitted**  
*OW1804123089 Taipei CNA in English 1555 GMT  
17 Apr 89*

[Text] Taipei, April 17 (CNA)—An ad hoc committee of the Republic of China's [ROC's] Executive Yuan (cabinet) Monday approved a proposal to allow news coverage and film shooting on the China mainland, a move described as a "milestone" in cultural exchanges between the two sides of the Taiwan Strait.

The Government Information Office [GIO] will accept applications, starting Tuesday, by local news media, TV and film companies to cover news and shoot films on the mainland.

This will be a cultural crusade by people here and a new chapter for the ROC Government's mainland policy, GIO Director General Shaw Yu-ming told the press.

The ROC, which has been technically at war with communist China for more than 40 years, first permitted Taiwan residents to visit their mainland relatives in late 1987 on humanitarian considerations, Shaw recalled.

In the second phase of its mainland policy, Shaw said, the government tried to promote the successful Taiwan experience among mainland people.

According to the rules approved by the cabinet-level mainland affairs task force which will soon be submitted to Premier Yu Kuo-hua for promulgation, local mass media, TV and film companies must report to the GIO prior to their departure for the mainland.

The rules stipulate, however, that Chinese communist funding will be strictly prohibited, and RCC-Chinese communist joint efforts to cover news and to issue publications will also be banned.

Punitive provisions will be included to safeguard national security. A person may be sentenced up to life imprisonment if convicted of making mainland news stories, TV programs, or films that spread rumors severe enough to disrupt social order.

Opposition legislator Kang Ning-hsiang strongly approved the government decision, saying that it indicated that people on this side of the strait have developed a strong self-confidence after four decades of strenuous efforts.

"It is a wise move tailored for public opinion," KMT [Kuomintang] legislator Huang Chu-wen commented.

Another legislator Jaw Shau-kong, a KMT young Turk, said he believed that closer cultural exchanges between the two sides of the straits will help promote understanding and thus accelerate the reunification of China.

**Teachers Visits To Mainland Approved**  
*OW1804123289 Taipei CNA in English  
1549 GMT 17 Apr 89*

[Text] Taipei, April 17 (CNA)—The Republic of China Government opened the door wider to civilian sector exchanges with Mainland China by approving teachers' visits there Monday.

A cabinet-level task force on mainland affairs also decided to allow local media and film producers to send teams to work on the Communist-controlled mainland.

Teachers, professors and staff members at public schools, previously categorized as "public functionaries," can visit the mainland, preferably during vacations, according to the cabinet resolution.

Still banned from visits to Mainland China, from where the ROC Government removed itself 40 years ago, are active servicemen and policemen, teachers and staff members of military and police academies, and those engaged in research work "related to defense secrets."

University presidents and the heads of colleges are also regarded as "government officials," and therefore do not enjoy the new privilege.

Educators are advised not to "leak official secrets" and if they want to do more than visit their families during their stays on the mainland, they should follow "related regulations."

Education Minister Mao Kao-wen elaborated on the new opening by saying that applications will be accepted from May when the specific regulations are expected to be released.

Mao pointed out that the government only urges teachers to make their visits during vacations. "If they are going to see relatives who are gravely ill or to attend funerals, they can go any time," he explained.

If they want to participate in academic activities, they should only attend those sponsored by international organizations, Mao said.

The Teachers' Human Rights Promotion Association immediately issued a statement welcoming the government's decision and announced that it is organizing a large group of its members to make visits during the coming summer vacation.

The association's statement also urged the government to promote civilian exchanges across the straits by letting public functionaries also make visits and by allowing Taiwan compatriots left behind on the mainland to return here.

**Calling Mainland Via Hong Kong Possible 'Soon'**  
*OW1904053189 Taipei CNA in English 0258 GMT  
19 Apr 89*

[Text] Taipei, April 19 (CNA)—The Ministry of Communications Tuesday confirmed that people in the Taiwan area will soon be able to make indirect telephone calls to relatives on the Chinese mainland through a Hong Kong telecommunications center.

Huang Chi-keng, director of the Communications Ministry's Posts and Telecommunications Department, told reporters that all telex and telephone subscribers in the Taiwan area will be able to use the international direct dial system to call the Cable and Wireless (HK) Ltd. in Hong Kong which will then relay calls through established communication lines to users on the mainland.

They can also call Taipei telecommunication operators to help relay phone calls to the Chinese mainland through Hong Kong, Huang said.

As to telegrams, Huang noted that Taipei operators will also transmit telegram messages through Hong Kong to the mainland.

Huang stressed that the ROC [Republic of China] Directorate General of Telecommunications will have no direct contact with any telecommunication agencies on the mainland in line with the government's mainland policy.

**Government Reviews Mainland Investment Policy**  
*OW1804051489 Taipei CNA in English 0235 GMT  
18 Apr 89*

[Text] Taipei, April 18 (CNA)—Government department heads will meet soon to discuss the feasibility of working out effective measures to govern the investments of local businessmen on the Chinese mainland, an official with the Economics Ministry disclosed Monday.

The official, who declined to be named, said that although current government policy does not permit direct investments on the mainland, the government is well aware that some local businessmen have formed subsidiary companies abroad to make their mainland investments.

Government departments will study the problems arising from such investments and will try to work out measures to govern the investments.

The Economics Ministry is also considering private sector suggestions that the government allow local manufacturers to join trade fairs on the mainland. Any decisions made by the ministry will be presented to the Executive Yuan's mainland affairs task force for approval.

**Official Notes Industry Move to Mainland**  
*OW1904053289 Taipei CNA in English 0303 GMT  
19 Apr 89*

[Text] Taipei, April 19 (CNA)—A ranking official said Tuesday an assessment of the results of increasing economic contacts with the mainland is badly needed for the reference of future policy making.

The official of the Council for Economic Planning and Development [CEPD] said a sound assessment can help determine whether the mainland policy should be aggressive or conservative.

However, the official who declined to be named said that at present the CEPD, the top government agency charged with overall economic planning, only has a "mainland research room" that is short of both manpower and data.

He noted that many labor-intensive industries, faced with changes in the domestic investment environment, including labor shortages, have moved their production plants to the mainland, and that many Taiwan businessmen have been seen participating in mainland trade fairs.

He emphasized that as a government agency, CEPD has its hands tied as it tries to make sound evaluations of current mainland policy.

"It would be more objective for civilian research bodies to do the job," he said, referring to the Chung Hwa Institute for Economic Research.

## Hong Kong

### UK Foreign Affairs Committee Delegation Visits

HK1804050389 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Apr 89 pp 1, 7

[By S. Y. Wai]

[Text] The House of Commons' Foreign Affairs Committee [FAC] yesterday assured Hong Kong people its historic inquiry into the 1997 transition would be free from interference from Whitehall and British politics.

The eight-member delegation, led by Tory MP [member of Parliament] David Howell, was confident it would produce a report of "good quality" on the implementation of the 1984 Sino-British Joint Declaration.

The committee believed its report would not be "shelved and ignored" as the British Government was obliged to respond to its conclusions and recommendations.

Speaking at the airport on the committee's arrival, Mr Howell said all members were senior MPs who would not be influenced in their investigation.

"We are an all-party committee. That doesn't mean we can sway the parties of which we, as individuals, are members. Of course, we have our individual proper party loyalties.

"But at the same time you must take us as we are, which is Members of Parliament, some of whom serve in government and many of whom have served considerable time in the House of Commons.

"I don't think we could be accused of being necessarily very subservient to the party machines and the party works in every detail," Mr Howell said.

The select committee is empowered to summon witnesses and has access to government documents, but has no executive power to make policy changes.

The delegation had a private session with Governor Sir David Wilson last night before they started a hectic schedule of hearings today.

Asked what his committee could do for Hong Kong, Mr Howell said members would try to learn about the territory in making their assessment for Parliament.

He said he could not ask Hong Kong people not to be cynical or sceptical of the inquiry and all members could do was "do a serious job and mean what they say".

He conceded that the committee might not have adequate time to meet all people and groups wanting to give evidence.

"You can never do everything. But I think we will cover a very wide number of voices and views," Mr Howell said.

He said the committee had already received about 50 written submissions.

Apart from the formal hearings, the delegation will split into groups to maximise their time here.

The committee will continue its fact-finding mission in Beijing on Saturday after its six-day visit to the territory.

British Foreign Secretary Sir Geoffrey Howe and Governor Sir David Wilson, who testified before the committee in London last month, give evidence again in June before the committee concludes its investigation.

Mr Howell dismissed criticism that the inquiry had come too late.

"We think the time is about right. The parliament in Britain has not forgotten Hong Kong and is anxious to see if matters proceed smoothly and prosperity and stability are maintained," he said.

Other visiting MPs are Conservatives Michael Jopling, Ian Taylor, Peter Temple-Morris and Bowen Wells and Labour MPs Edward Rowlands, Peter Shore and Michael Welsh.

Meanwhile, Radio Television Hong Kong (RTHK) yesterday decided to carry the FAC public hearings live in English tomorrow from 2.30 pm to 5.30 pm on Radio 3, and on Thursday and Friday from 9.30 am to 5.30 pm.

On Radio 1, the hearings will be broadcast in Chinese tomorrow after the Legislative Council sitting. Hearings on Thursday and Friday will be broadcast live from 9.30 am to 5.30 pm.

### Columnist Views Visit

HK1804051989 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Apr 89 p 25

["Viewpoint" column by Margaret Ng: "Fact-Finding Mission That Must Uncover the Truth"]

[Text] As news of the Foreign Affairs Committee's [FAC] visit this week reached Hong Kong people, the question that comes most naturally to their minds must be: what can the committee do for us?

Senior civil servants are trying their best to see this as an opportunity they should use for some positive end. Men and women of public affairs have deliberated long and carefully, and each decided to press the case he or she considers most urgent: nationality, democracy, Vietnamese boat people, human rights and the like.

Yet the single most important task of the committee cannot be any of these things.



It must be to find out the truth about what happened.

The visit of the FAC must be, first and foremost, a fact-finding one.

The FAC will make, if you like, its "judgement", in that it will have to say, at the end of the day, whether or not Britain has done its duty in implementing the Joint Declaration to the best interest of the people of Hong Kong.

Where there are explicit and detailed provisions in the Joint Declaration it must say whether they are implemented effectively and expeditiously; where the provisions in the Joint Declaration allow for a range of interpretations, whether the interpretation most desirable for Hong Kong and most desired by people in Hong Kong are conscientiously sought.

Wider than the terms and provisions of the Joint Declaration, whether, in view of the fact that Britain is handing over Hong Kong to China in 1997, Britain is discharging its moral obligation to Hong Kong.

Each of these questions can only be answered by means of first finding out about the facts, including what actually happened and what Hong Kong people want or hope for or fear, and then a judgement based on those facts.

And here one's mind boggles. For how is the committee, able and experienced parliamentarians as they are, going to do this job based on a week-long stay?

For example, one of the most important questions in the minds of many people who care a great deal about Hong Kong is: Is it true that the development of democracy in Hong Kong, a crucial element of which was direct elections for 1988, was delayed because Britain succumbed to Beijing's pressure?

How is the committee to assess the evidence for either answer?

Indeed, does the committee have access to the evidence?

Is it obvious to the committee? Does it have the time to go through seven years of press-cuttings and other primary materials to experience what we went through from 1982, when the Sino-British talks began?

Can it, even if the whole thing is translated, understand how all this appeared in our eyes?

I say, to most people in Hong Kong it was obvious that Beijing applied pressure.

I should add, to only a privileged few is the truth known exactly how Beijing pressed and how hard, and with what effect, how far Britain gave way.

Will the committee be able to get these privileged few to tell the story? And without the true testimony of these key witnesses, how can the committee judge what actually happened?

Consider, the most obvious answer the committee will be given is that Hong Kong did not have direct elections in 1988, or democracy did not develop sooner or faster, because that was not what most people in Hong Kong wanted.

How is the committee to judge what most people in Hong Kong want? Surely not from the somewhat arbitrary and limited list of people they have invited to appear before them.

It may inspire, but it cannot, even among members themselves, give the full picture. The utmost that they can prove is that there are different views, but views, I submit, are not enough.

No doubt the committee will start with submissions it has already received.

The comprehensive background papers provided by the Hong Kong Government and the Foreign Office in London will no doubt be a convenient starting point, and perhaps it cannot do much better than to ask, methodically of each and every major statement in these papers, whether it represents the truth, but even this is an arduous task.

The fundamental difficulty is that the scope is too wide, the issues too complex, the time too short, and the background and personal knowledge of the committee on this remote fish pond too thin and too clichéd.

These well-meaning parliamentarians will inevitably pick out what has the most meaning given the categories and framework in which they are accustomed to thinking, and the real predicament of Hong Kong people, the subtle truth that struggles to see the light of day, will slip through their fingers.

If the hearings in London were any indication, the committee has a long way to go.

Members did not even know the most elementary facts about the Basic Law.

The fact that they seized upon Hong Kong's "domestic bill of rights" and the emergence of "political groupings" (or rather their failure to emerge) as the key issues shows how wide of the mark they were.

In disposition, the committee is handicapped on one hand by its disinclination to doubt Sir Geoffrey Howe, the secretary of state for Foreign Affairs, on the other hand by its willingness to believe that Beijing can do no wrong.

If these are the parameters by which they are bound, then there will not be much left that it can do or say.

We will be back to the Commons debates on Hong Kong in 1984, with praises for all, and a boring sermon against the Hong Kong Government which we can do any day ourselves.

Admittedly this is a pessimistic picture, and perhaps it is not nice to cast gloom over an inquiry even before it starts.

I can only say that I hope fervently I am wrong. For, if I am wrong, then the inquiry will give us the truth, and if the truth is out then more people will help us to fight for what we most want and cherish.

**Survey Says Brain Drain at 'Crisis' Level**  
*HK1804045589 Hong Kong HONGKONG STANDARD in English 18 Apr 89 pp 1, 5*

[By Leung Sze-man]

[Text] The brain drain has reached crisis proportions and the territory's economy will go into a tailspin by the early 1990s unless the British and Chinese Governments act to check it.

And with Australia, the United States and Canada opening their doors wider, the exodus could peak at a record high of 60,000 in 1990.

These are the warnings issued by Dr Paul Kirkbride, research director of the Hong Kong Institute of Personnel Management (IPM), based on early findings of a comprehensive survey.

The most immediate and effective measure—as suggested by community leaders—would be to grant the 3.5 million British nationals here the right of abode in the United Kingdom, according to Dr Kirkbride.

But China must also take steps to impress the people that social stability and individual freedom are assured after 1997 if it wants to keep talent in Hong Kong, Dr Kirkbride said.

Initial findings of the latest IPM survey, entitled Emigration from Hong Kong, show the majority of companies have had to promote and recruit less qualified staff to fill vacancies.

Of the 222 major companies surveyed, about 53 percent report staff being promoted faster than scheduled because of the exodus.

And 44 percent report difficulty replacing staff who have emigrated with people of comparable calibre.

"It will take one or two years before faulty decisions made by underqualified people bring obvious damage to the running of business," Dr Kirkbride said.

He said the effects of brain drain-related substandard management would peak in the early 1990s.

The government maintains the impact of the brain drain has been "relatively slight" so far.

But it expressed concern in its recent submission to the parliamentary Foreign Affairs Select Committee.

Its major fear is about the potential ill-effect on the economy in the long run if the middle-management staff shortage persists.

One of the more startling IPM survey findings is that the outflow of professionals is expected to increase rapidly.

Of the 1,827 professionals who responded to the survey, 47 percent expressed an intention to emigrate.

A full report on the survey is expected next month.

"However hard some individual organisations attempt to alleviate the problem by retaining staff or luring returnees through attractive packages, the effects of such measures can only be marginal at best," Dr Kirkbride said.

They survey, the largest by IPM, suggests even if a "safety exit" assurance is given unilaterally by Britain, the brain drain may continue.

The survey found that only one in four emigrants intends to return to Hong Kong. Of these, only 12 percent said they would stay on after 1997.

The small number of returnees is attributed to a lack of confidence in the social stability and individual freedoms in Hong Kong after 1997 when it reverts to China.

"This shows that people are leaving not solely to get an insurance policy but because they simply desire not to live under Chinese rule," Dr Kirkbride said.

Mr Simon Ip, chairman of the Law Society, has argued that even if Britain was to offer the "insurance policy" to people, most would choose to remain.

But Dr Kirkbride said the so-called "escape route" assurance would not guarantee a slowdown in the brain drain after 1997 unless China effectively restored the confidence of Hong Kong people.

"The only remedy remaining is a political one and one which is in the hands of both the British and Chinese Governments," he said.

Dr Kirkbride accused the government of down playing the issue by diverting people's attention to the number of people leaving instead of the quality of the emigrants.

A government task force on the brain drain estimated 45,817 people left the territory last year, a 50 percent increase over the previous year. But the forecast for this year's outflow is 42,000 people.

"Whether the estimation is correct or not is beside the point. The real issue is the worrying fact that Hong Kong is losing disproportionately from the managerial, professional and technical ranks."

Even the government has admitted that in 1988 around 25 percent of emigrants were in the managerial, technical and professional categories.

### 'Analysis' on Drain

HK1804050589 Hong Kong HONGKONG STANDARD  
in English 18 Apr 89 p 5

["Analysis: Distrust Sparks Quest To Flee"]

[Text] It's really only distrust of China that has sparked off the exodus of good brains from Hong Kong in a desperate quest for a foreign passport.

With 45,000 people leaving Hong Kong for good last year and another 42,000 expected to leave this year, there is no sign that the queues waiting for a foreign passport will be any shorter in the coming years.

Hailed as the "best possible deal" that could be wrested from Beijing, the 1984 Sino-British Joint Declaration brought only brief euphoria to Hong Kong people.

The surge of confidence after two years of agonising uncertainty during the negotiations was short-lived.

Behind the property boom and a heated economy in the ensuing years, nagging fears about a future master who practised communism continued to fray the nerves of many.

Many cast their vote of non-confidence by acquiring a foreign passport giving them right of abode in Canada, the U.S., Australia or elsewhere.

Various polls indicated that at least one-third of the population was contemplating emigration.

Many of these people were merely seeking an insurance policy which would get them out of Hong Kong if things went badly wrong under the future Hong Kong Special Administrative Region.

And it is fair to say many would cling to Hong Kong as long as they could.

For those who had only a slim chance of being accepted by other countries Britain, the sovereign power of Hong Kong for nearly 150 years, was the natural butt of their anger for not coming to their rescue.

Renewed calls for full British citizenship are not confined, as in 1985, to ethnic minorities, who faced the prospect of statelessness after 1997 but to all 3.3 million Hong Kong holders of British Dependent Territories Citizen passports.

And a combination of a Foreign Affairs Select Committee inquiry, a House of Lords debate on Hong Kong people's nationality limbo plus the Portuguese decision to issue Macao-Portuguese citizens passports valid throughout the European Community, including Britain, gave critics and lobbyists fresh ammunition for their charges.

Hong Kong people have reason to be bitter. Residents of other colonies—Gibraltar and the Falkland Islands—were granted the right of abode in Britain.

The perceived racist considerations in the difference in treatment reinforced public belief that Britain was washing its hands of a population comprising mostly people of Chinese origin.

But it is also true that the Hong Kong Chinese seldom sought residence in Britain before the 1997 jitters set in.

To most their British passports were merely travel documents, as evidenced by the absence of complaints in 1962 when the right of automatic entry into the United Kingdom of colonial residents, including those from Hong Kong, was deleted.

With the post-war wave of decolonisation and the bitter experience of having to absorb millions of British subjects from its former colonies, it was understandable the UK had to take a hard look at its nationality and immigration policies.

It is fair to interpret the series of measures taken since 1962 as being in anticipation of further disengagement from the colonies.

Of these moves only the 1981 Nationality Act, which created the new category of British Dependent Territories citizenship [BDTC] could be said to be designed to avert the likelihood of millions of Hong Kong Chinese entering the UK due to fears over 1997.

Consequently, it is unlikely the British Government will cave in to demands to allow all BDTCs the right of abode.

But it is also doubtful that many people now arguing for full British citizenship 27 years after it was taken away would actually settle in Britain.

As the president of the Law Society, Mr Simon Yip, put it the right of abode in Britain was seen by many as an insurance policy.

And very few would actually seek to exercise the right if Hong Kong's way of life remained unchanged after 1997.



With a commitment to maintain the prosperity and stability of Hong Kong in the run-up to 1997, the British Government faces growing international odium if the territory is left scarred by the continuous outflow, if not stampede, of its most talented people.

In the final analysis, given the UK's international clout, it should be possible for it to secure some kind of undertaking from friendly nations, such as the 12-member European Community, to provide a haven of last resort for Hong Kong people if things don't work out in the territory.

Given the Macao example, Britain will find it increasingly difficult to justify its failure to allay the fears of Hong Kong people.

Whether China would accept such an undertaking, which could alter the allegiance of half of the population of Hong Kong, as being in the spirit of the joint declaration, is doubtful at best.

#### **Failure To Curb Inflation Rate Examined**

HK1804131389 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0942 GMT 14 Apr 89

[Commentary by Yu Cheng (6735 2052): "Increased Bank Interest Rates Fail To Curb Inflation"]

[Text] The problem of inflation in Hong Kong seems to be ever worsening. The many bank interest rate increases have so far failed to produce the expected effect of restraining consumption and have, on the contrary, dampened investment activity. Banks must study interest rate adjustments more carefully, otherwise there will be an unhealthy effect on economic development and regulation.

Latest statistics show that this February, Hong Kong's Grade A Consumer Price Index rose by 10.5 percent, registering a double-digit figure for the first time since May 1984. This shows that inflation has been steadily worsening. The main cause of the accelerating inflation is keen internal demand and not external factors. The increase in the unit prices of imported goods and materials for Hong Kong's use has so far remained at 4 percent, but various commodities like consumer goods and raw materials have chalked up big increases. This is enough to reflect strong internal demand.

The current keen internal demand is basically caused by two factors: 1) a steep increase in consumption; and 2) brisk investment activity. Banking circles recently seemed to be rather concerned over the phenomenon of ever worsening inflation in Hong Kong and believed that an increase in the Hong Kong dollar interest rate was an effective way to control inflation. But now, after 11 straight increases in bank interest rates since early last year, Hong Kong's consumer price index is still on the rise, with no sign of improvement. The interest rate increases have not achieved the aim of keeping inflation in check.

The failure of the many interest rate increases to restrain overheated consumption may be explained by the fact that the increase in the average worker's income has far exceeded the inflation rate, with every field experiencing serious labor shortages. Consumers in the main have spent freely without worry. During the past 2 years or so, Hong Kong has continually been troubled by the labor shortage problem. Latest statistics show that Hong Kong's unemployment rate has further dropped to 1.3 percent. The concept in Hong Kong is that an unemployment rate of 3 percent can be treated as full employment.

Due to the social phenomenon of "too many jobs for people to fill," there has been industrial and commercial competition for labor through pay raises. The obvious increase in worker income in January was chiefly caused by the brisk activity in various fields of endeavor, and labor shortages, apart from the stimulation of seasonal factors. Take the manufacturing industry, for example. In the first month of this year, the workers' average income showed a sharp increase of 44 percent over last December. This was obviously due to an increase in the year-end bonus payout, but this was still 4.5 times the increase in the corresponding period last year. Thus, retail sales in that month registered an increase of 22 percent over the corresponding period last year. The interest rate increases had not kept consumption down.

There seem to be signs that industrial and commercial investments are suffering from bank interest rate increases. Last year, Hong Kong's fixed asset investment level was higher than generally expected, but the increase was obviously lower than that of the preceding year. The Hong Kong Government estimates that this year's fixed asset investment level will be lower than last year. Bank interest rate increases will have a dampening effect on fixed asset investment.

Hong Kong's inflation rate has breached the 10 percent mark. This is undoubtedly a social-economic problem worthy of note, but this cannot be considered as vicious inflation. The reason is that the cause of strong internal demand is based on the early brisk industrial and commercial investment activity. Increased bank rates have dealt a blow to commercial activity, but have not kept consumption down. The restraining effect of increased interest rates on consumption can begin to be seen several months or even 1 year after the rate adjustment. It is inappropriate for the banking industry to keep raising interest rates. A quiet watch should be kept on the aftereffects of the series of interest rate increases.

#### **Mainland Trade With Hong Kong, Macao Increases**

OW1604225789 Beijing XINHUA in English  
1205 GMT 16 Apr 89

[Text] Beijing, April 16 (XINHUA)—Trade between the Chinese mainland and Hong Kong and Macao is on the increase and last year's total trade value between the Mainland and the two regions reached 22.6 billion U.S. dollars, "CHINA DAILY" reports today.

Exports to Hong Kong and Macao comprise the largest share of the mainland's total exports, said an official of the Ministry of Foreign Economic Relations and Trade (MOFERT) on the eve of this spring's Guangzhou Foreign Trade Fair.

Gu Chunfang, who is in charge of trade between the mainland and Hong Kong and Macao, said that exports to Hong Kong and Macao reached 13.21 billion U.S. dollars last year, accounting for nearly a third of the mainland's total.

Meanwhile, imports from Hong Kong and Macao increased to 9.39 billion U.S. dollars in 1988, 43 times higher than in 1979 for an average annual growth of 52.2 percent.

Gu said that the composition of export commodities from mainland to Hong Kong and Macao has changed.

The proportion of farm produce has been decreasing, while the proportion of manufactured goods has been increasing steadily over the past few years, she said.

While the mainland has been expanding its part in the entrepot trade of Hong Kong and Macao, the two regions have been playing an active role in linking the mainland with the world market.

In 1988, mainland exports via Hong Kong accounted for 80 percent of its total exports to Hong Kong and Mainland imports via Hong Kong made up 71.4 percent of its total imports from Hong Kong, she said.

Cooperation between the two sides, including capital flow, joint production and technology transfers, has continued to expand and diversify, helping bilateral relations move beyond the sole traditional tie of trade, she said.

Projects between the mainland and Hong Kong and Macao now comprise 80 percent of all Chinese businesses with overseas investment.

Hong Kong and Macao businessmen also invest in large and medium-sized projects, Gu said.

Most of the projects involve processing or assembling with materials and samples provided by partners and such projects usually achieve good economic results with small investments and have low risks, Gu added.

In Guangdong Province alone more than 10,000 enterprises are engaging in processing with supplied materials and Gu estimated that more than 2 million Guangdong workers are involved in processing and assembling for exports to Hong Kong and Macao.

The mainland's ample labor force has helped the regions solve their labor shortage and lower production costs, thus increasing the competitiveness of their products, she added.

#### Re-Exports Rise 51 Percent in 1988

HK1804072189 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 18 Apr 89 p 1

[By Chito Santiago]

[Text] Re-exports in 1988 rose 51 percent from a year earlier to \$275.4 billion, with China remaining the territory's biggest market.

Figures released yesterday by Census and Statistics show that re-exports to China rose 58 percent to \$94.9 billion.

The United States came in second with \$49.5 billion (up 52 percent), followed by Japan \$17.4 billion (up 78 percent), and Taiwan \$14.1 billion (up 46 percent).

Among the re-exports to China, significant increases were noted for artificial resins and plastic materials, and cellulose esters and ethers at 180 percent; electrical machinery, apparatus and appliances and electrical parts thereof (up 96 percent) and textiles (up 24 percent).

However, a decline of 13 percent was recorded in miscellaneous edible products and preparations.

Re-exports from 10 major countries of origin also exhibited marked improvements, with China again accounting for the biggest share at \$131.5 billion (up 56 percent).

Trailing way behind in second place was Japan with \$37.7 billion (up 53 percent), followed by Taiwan \$21.2 billion (up 67 percent), the U.S. \$19.1 billion (up 41 percent) and South Korea at \$13 billion (up 111 percent).

Re-exports originating from China, which enjoyed substantial increases, were miscellaneous manufactured articles, including mainly baby carriages, toys, games and sporting goods (up 65 percent), clothing, telecommunications and sound recording and reproducing apparatus and equipment.

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